MINUTES OF A REGULAR MEETING OF THE FORT PIERCE UTILITIES AUTHORITY, TUESDAY, JULY 21, 2020, 4:00 P.M., Via WebEx – WWW.fpua.com/live.

Members Present: Vice Chairman Charlie Frank Matthews; Secretary Darryl Thomas-Bey; Deputy Secretary Frank H. Fee, IV; Mayor Linda Hudson; and Nick Mimms, Ex-Officio Member/City Manager.

Excused: Chairman Glynda Cavalcanti.

Others present via WebEx live: John K. Tompeck, Director of Utilities; Barbara A. Mika, Director of Financial Services; Paul A. Jakubczak, Director of Electric & Gas Systems; Bo Hutchinson, Director of W/WW Systems, Javier Cisneros, Director of Utility Support Services; Joshua P. Gang, Director of Regulatory Affairs, and Rupert N. Koblegard, III, FPUA Attorney.

The meeting was called to order by Vice Chairman Matthews.

Opening Prayer was by Jason Mittler of FPUAnet Communications.

The Pledge of Allegiance was recited.

The roll was called and a quorum declared. *(Mr. Bey is having audio problems and did not answer roll call.)*

Mr. Mathews said we have a quorum and at this time we are going to follow the agenda except Item A and at this time Mr. Tompeck will bring us up to date right before we set the agenda.

Mr. Tompeck said at the request of the City Commission, he would like to add a discussion item on services connections. He said we can discuss that as part of Item G-1, which is his COVID-19 update. The second item that needs approval is a Sub Recipient Agreement with St. Lucie County to obtain reimbursement of COVID-19 expenses. That will be Item G-4 and Javy Cisneros will explain the details when we get there.

Attorney Koblegard asked if he heard that Darryl Bey is not at the meeting.

Mr. Matthews said he did not answer the roll.

Attorney Koblegard said unless he is present that means there are only three people and you have a quorum. He said you have to have a unanimous vote on anything for it to pass because it takes three votes to pass something and not just two when three people are there. Just keep that in mind.

Mr. Matthews said yes sir and thank you to Attorney Koblegard.

Mr. Bey was able to log in at this time.

A motion was made by Mayor Hudson, seconded by Mr. Fee, and unanimously carried to approve the set agenda with the changes Mr. Tompeck requested.

A motion was made by Mr. Bey, seconded by Mayor Hudson, and unanimously carried to approve the Minutes of the Regular Meeting of July 7, 2020.

Mr. Matthews asked for public comment and requested their name and address, nobody responded during public comment.

A motion was made by Mayor Hudson, seconded by Mr. Fee, and unanimously carried to approve the Consent Agenda.

1. Excuse Glynda Cavalcanti from the meeting, she is on vacation.

2. Approve no change to the PGA.

3. RFQu No. 20-10: Approve the contracts for Continuing Professional Engineering and Design-Build Services related to Electric and Gas Systems, effective July 1, 2020 through June 30, 2025, with unlimited five-year renewal options, contingent upon receipt of required Certificate(s) of Insurance, with the following firms: Professional Engineering Services- The Asset Company, PLLC dba Asset Engineering Florida, LLC, of Jacksonville, Florida; Enercon Services, Inc., of Kennesaw, Georgia; Engineered Design Services LLC, of West Palm Beach, Florida; Pond & Company Corporation, of Peachtree Corners, Georgia; GERS U.S.A. LLC, of Weston, Florida; Design-Build Services - The Asset Company, PLLC dba Asset Engineering Florida, LLC of Jacksonville Florida.

4. Approve budget transfer of $83,400 to the Fire Alarm System Replacement and Monitoring at ESC.

5. RFP No. 20-14: Accept Proposal from and approve Contract for Roof Replacement at Water Treatment Plant with Trusted Construction of Lake Worth Florida, in an amount not to exceed $170,000.00. The Roof Replacement is $155,989.00 the additional funds are contingency funds if additional work is needed once the existing roofing materials have been removed. This Contract will commence upon written Notice to Procced and end upon final completion and acceptance by FPUA, contingent on receiving required Certificate(s) of Insurance.

Julie Sizemore received a phone call from Mr. Erol Ceran saying how happy he was with Val Sirmons of Customer Service in helping him with his mother-in-law's utility bills. He stated that Val went above and beyond and worked very hard in order to help him.

John Tompeck, Director of Utilities, said he wanted to give the Board an update on COVID-19. He said FPUA is continuing to closely monitor the number of cases in St. Lucie County based on the continuing increase in the number of cases and we anticipate no changes to our operating protocols over the next several weeks at least. We are continuing strict isolation of our control rooms, have restricted in-state travel, and have suspended all out of state travel. We are continuing to stress social distancing and mandatory use of masks in all common areas. There is no change at the office with the majority of our employees successfully working from home. He said we have expended approximately 653 hours related to the Families First Coronavirus Response Act. The customer service lobby remains closed and lobby personnel have been freed up to handle phone inquiries.

Mr. Tompeck said the latest collection status shows we are running about 5.6% behind the same period from last year, which equates to about $2.9 million. He said this number has substantially increased in the last couple of weeks. As you are aware, we have offered no-interest payment plans for our residential customers for twelve months and six months for our commercial customers. He is delighted to report we have more people taking advantage of this and to date we have 359 residential customers with approved payment plans, which accounts for about $205,000 and 32 commercial customers with plans which amounts to about $36,000. For the residential customers that is a market increase over the last couple of weeks and we are delighted to see that.

Mr. Tompeck said FPUA is also offering assistance through Mustard Seed and ALPI. He said so far $34,000 of the funds have been committed and that is out of a total of $100,000 that is currently set aside for the program. There is an additional $100,000 that is available to supplement the system. He is a little disappointed we have not made more headway here and thinks we will be talking to the Mustard and ALPI folks because it seems there are some difficulties getting the applications processed. It seems like it is difficult for our customers not only to get there, but also to get the applications moving along. As was discussed at the last meeting, the Care's Act Program went into effect on July 8th. There is approximately $16.6 million available for St. Lucie County citizens to request up to $4,000 for help with mortgage, rent, utilities, and insurance. It is already a popular program and they have received 1,800 applications. We have encouraged our customers to apply to the program to help them with their utility payments and they really need to get out there to fill out the application to help themselves.

Mr. Tompeck said staff continues to be actively pushing these programs to help our customers and are continuing radio spots on WQCS 88.9 and WFLM 104.5 advertising the programs. He said in addition, we have been pushing the programs on Facebook, FPUA.com, and bill inserts. The

number of customers eligible for disconnections has fallen to about 1,674 and our current financial exposure for these customers is about $806,000. This exposure will continue to grow by about $350,000 each month. As we talked about and decided in early June, we were planning on initiating disconnects on July 27th, which is next Monday. All of our customers have been advised with individual mailings and phone calls. Most of the municipalities around the state have started disconnection and he contacted KUA, Lake Worth, and New Smyrna Beach to check on their experiences on service disconnections. KUA had about 3,000 disconnects and 90% of their customers avoided disconnection by paying their bills or getting on a payment plan. At New Smyrna Beach, they had about 944 accounts on their disconnect list and all but 30 of those accounts were resolved without disconnection. Lake Worth just recently started their disconnections and did not have any numbers available yet, but they suspect it should not be too bad because of the same kind of payment programs KUA, New Smyrna Beach, and the program FPUA has which is starting to get a little bit more enthusiasm.

Mr. Tompeck said at the City Commission meeting last night he was requested to add service disconnections to the agenda. He said one of things discussed was the potential of moving the service disconnections from starting on July 27th back to August 24th. With that background, he would like to open it up for discussion for the Board and see what kind of agreement they would like to pursue.

Mayor Hudson said she was the one who asked last night that it be postponed until August 24th. She and John had a conversation yesterday and talked a little bit this morning. When we voted on the July 27th date, we anticipated we would be in a very different place than we are right now. We thought we would really have our State back and it would be open, things would be moving along smoothly, and people would be working. That is not the case right now with the number of cases and what is happening, the number of businesses that are cutting back and the number of people that are not working. Mayor Hudson said she would like us to spend the extra time between July 27th and August 24th in working to make sure people avail themselves of the opportunity. As Mr. Tompeck said, there is money from ALPI, Mustard Seed, and from the County. The County money just became known. If perhaps if we repurpose a couple of staff members and do some promotional things, we could get people to fill out the proper paper work. She knows we cannot go to their houses and does not know if FPUA is having them come in. It is difficult to meet face to face now and that is one of the big challenges. If we could figure out a way to do it and she talked to Mr. Mimms this morning, the City is willing to help. She also wanted to point out the Governor extended the Executive Order of Emergency until September and the school pushed back their opening date to August 24th. Also, August 1st evictions and foreclosures start right now, although the Governor may extend that. Mayor Hudson said she thinks we are still in a State of Emergency and she certainly would like to take the extra time and would be happy to help. She said as a matter of fact, they are going to put out a Public Service Announcement from the City on this issue depending on what we decide to do today. She would like to work with Mr. Tompeck and whoever he says she should work with. The City video people are going to do a public service announcement so she would really like to show that we are going the extra mile and really trying to make an extra effort to help our customers. If we get our

customers help for the money, then they pay their bills and that helps the company and the customer. Mayor Hudson would like to postpone it until August 24th.

Mr. Bey said he has a quick question of Mr. Tompeck. He said he mentioned that some of the other communities like Kissimmee and Lake Worth in light of the looming disconnection, they got a great response in getting bills paid. Mr. Bey asked how likely Mr. Tompeck thought that would happen in Fort Pierce, what would change or be different if we extend the cut-off for another month, besides the fact there is more money available and that sort of thing.

Mr. Tompeck said you kind of asked me two questions and the answer to the first question is he does not think our percentage will be as high as Kissimmee or New Smyrna Beach, but does expect the majority of our customers will be able to pay up. What he thinks will change in the next month to be honest he does not think anything is going to change in the next month except the additional money will be owed by the customers on the cut list. This will make it more difficult for them to pay. He can understand Mayor Hudson's thoughts that there are resources out there they can take advantage of and we pushed those resources for the last several weeks with the exception of the CARES Act which is a much more recent one. Mr. Tompeck said he does not expect we will get a whole lot more motion on payment plans or people going into ALPI or Mustard Seed, but it is possible and we will see. He said a couple other real quick thoughts, he does not want anybody to think we are a heartless organization because we are not. We consistently do a lot of good things for our customers and he went through some of those last night in terms of the money we gave back on the PCA and the $280,000 that have forgiven in late fees and service charges. If we do decide to start the cutoffs on next Monday, we would probably be doing somewhere between 50 to 100 per day and we are talking about an excess of two weeks to cut everybody. Of course, we will make considerations for any medically essential customers on that list, we certainly are not going to cut them. One of the things the City Commission asked him last night was do you have any idea of the 1,674 customers, how many truly have a problem paying. Mr. Tompeck said he does not know the answer to that, is it 10% or 20% or 50%, he has no idea and there is no way to tell that until we start disconnecting people. He said one of the other things he mentioned to the City Commission last night is FPUA is a small and nimble enough organization that should we start cutoffs and see we have major problems and see the percentage is higher than we anticipated, we can stop. We can stop on a dime if we see there are some major issues of our customers paying. Those are a couple of other things to take into consideration as you make your decision.

Mr. Bey said he likes the idea that Linda suggested that if there was some way we could get staff to actually reach out if there is a situation where people are having a problem getting paper work or filling out the applications or that sort of thing. He thinks if we could get maybe some of our employees and maybe some of the City's employees to form some kind of committee or group that could assist these people. He could support the idea of extending it if he knows we are going to try and do possibly everything we can do to help these people pay.

Mr. Mimms said he did have the opportunity to hear Mr. Tompeck speak at the City Commission meeting last night as well as speak to the Mayor this morning. He is in great support of the state of the disconnections for that period moving toward late August. The reason why is because he believes we as a community can do much more intensifying communications in reaching our community whether that is the Hispanic radio station and reaching out to the Creole speaking population or contacting all of the pastors, hitting social media, hitting any means that we have. Also, he did hear that FPUA has a Sub Recipient Agreement from St. Lucie County in your possession and that is a tool whereby you can hire staff and any expenses that are from the COVID-19 situation can be reimbursed if the funding is going toward helping people. We have the Sub Recipient Agreement and are going to execute ours relatively soon and he believes that is a wonderful tool. He believes we need to intensify our communication, hit the pavement, knock on doors, do what we have to do. He is quite sure FPUA is a very technically advanced company and you know where everyone of your accounts are that are delinquent. You can establish outreach areas and get graphical locations to staff, whether that is recently hired staff or existing staff. All of these costs can also be reimbursed through the County Sub Recipient Agreement through the CARES Act. As far as he is concerned, he is all for it and is just saying his two cents and in great support of what is being proposed here and we, the City of Fort Pierce, are willing to help as much as possible.

Mr. Matthews said thank you, great ideas. He said he is going to take a moment to state a plan of action that he calls the 7-Point Plan and just some information and he thinks the Mayor's is the same with the only difference is he would like for it to include the first of the month when people get their paychecks and at the same time take Mr. Mimms' ideas and put a volunteer program together with not only City staff and FPUA staff, there may be an organization that is set up to do just this, to make contact. Mr. Matthews said he is kind of embarrassed when he knows there is still left over money and are cutting off folks. He said one of his 7-point plans is to go into the system and simply put amounts on everybody's bill that is on that list of 1,600. Then call or write them and say we have done that as a credit to their account to bring it up to date. He is looking at the extended date to include at the first of the month more so than at the end of the month. Secondly, the end of the month has been rough because of the three systems of June, July, and August and that is just right. The third concern is to put a program together to relax or do a forgiveness of the past three or four months so people will not be saying they will pay this money and then they are still going to cut the lights off. We still need to be fair to tell people because they are struggling and because we can reach out at the 50-yard line or 75-yard line, we want to help you. The next concern of his plan is to extend the 12-month payment plan and to include the CARES Act to help them out with the paperwork. The next one is to establish a hardship program where we can take a light bill and walk into Walmart or Publix this week and ask if they would like to donate $1 to a cause, one of them is the Children's Miracle Funds. We can do that same thing and probably pick up $25,000 or $30,000 so fast, you would not believe. Another words, we could establish a hardship donation plan. The last one he is concerned about is we take the $94,000 plus that Mr. Bey talked about in the Weatherization Program and we put that as a backup. He heard Mr. Tompeck say at the last meeting that we are going to hit the deposits, this will give everybody the chance to still have something in the deposit, if you are

worried about your bond issues and bond flow. Mr. Matthews said with that he thinks we can still waive fees and at the end of the period, we would say that we have done all we can do and not only that, we have used up every dollar that is available. Mr. Matthews said at this time we can vote on the cutoff and all he was saying is 45 days was sufficient. He said let's not cut somebody off at the end of the month, wait until they get their check in their hand and then they do not have too much excuse.

Mr. Fee asked how much money is still with Mustard Seed.

Mr. Tompeck said from the initial $100,000, there is still $67,000 left for Mustard Seed and ALPI and we had talked about an additional $100,000 when the initial money ran out.

Mr. Fee asked if Mr. Tompeck had a feel about what percentage of customers that were in default, what percentage brought it current based on the last numbers. He said shooting from the hip and he knows there may not be accurate numbers, what percent of customers are at risk of being disconnected that brought their account current.

Mr. Tompeck said he is not sure if he is answering the question, we have customers that are 60 days, 90 days, 120 days and the vast majority of the customers we are talking about here are in the plus 60 category. We do not have a whole lot in the plus 120 and not nearly as many in the plus 90. Most of them are just overdue by 60 days. That accounts for about 60% of the total.

Mr. Fee said he does not see where it would be really harmful to go an extra month, but at the same time as every month that goes by, the meeting of obligation to pay the power bill is just more of a burden to them to bring it current. He said as time goes by it will work against the customers, especially if they have rent or a mortgage to pay. He gets concerned about too much time going by because he thinks it will be a bigger burden to them. Maybe the money from the County will not be enough to bring their light bills current, but as he understands it, the money at the County level, the individual customer has to go and apply for it or is it something FPUA can apply for it for their benefit.

Mr. Tompeck said the individual customer has to apply for the money.

Mr. Fee said it is 90 days plus that we have been trying to work with customers and direct them to the Mustard Seed money and we initially funded that at $100,000 and only $45,000 of it has been used. He asked if that was a fair statement.

Mr. Tompeck said it is a fair statement, but once again as mentioned earlier, we are disappointed and are going to be talking with Mustard Seed and ALPI. He is not sure where the problem is, if it is the applications being processed too slowly or not enough people coming in. He does not know the answer to the question, but he will find out.

Mr. Fee said based on what you told the Board, if we go another 30 days, you do not expect it to be any better than it is now.

Mr. Tompeck said that is right.

Mr. Fee said his question to the Board is at what point and time do we think too much time has gone by. He said that is a hard question, especially when you are hurting these days. He is not opposed for another 30-day extension to see if we can push that a little bit more diligently and see if we can get the people to the County to apply for money. It kind of sounds to him that no matter what we do, we are going to have mediocre or moderate returns on it. At some point and time the Board is going to have to say enough time has gone by. The question is do we go one more month and say that is enough or are we prepared as a Board to look at this thing as a month to month case.

Mr. Matthews said one of the things he found out by a person that approached him and he had another one today. He said they are going down to Mustard Seed and he is not picking at them, but they are the one where they walked in there and catching a ride to Mustard Seed and the people at the office there are giving them information that they will give them an appointment and call them to come back. They are not calling these people back, they did not call the gentleman today. He said he went down almost 12 days ago and he has not gotten a call from them yet.

Mr. Fee asked if we think the money needs to be pulled from Mustard Seed and maybe administered by the City or FPUA.

Mr. Matthews said that is what he thinks.

Mr. Fee asked if that is possible.

Mr. Mimms said he believes whether it is administered by the County, the City, or FPUA, we all have the ability to possibly administer the distribution of these funds. He said Mustard Seed is an awesome choice, but if we do not expedite this and want to get a little bit more aggressive, let's put our collective heads together and utilize the resources we all have. We are willing to do it and we can bring this in internally and utilize FPUA or the City resources to make this happen.

Mr. Fee asked how quick of a plan can you put together if we pull the money from Mustard Seed to get it administered to the people that need it.

Mr. Mimms said he has his staff right now on standby waiting for the conclusion of this topic from the UA Board. He said we can set up a meeting, get with the County staff, the City staff, and FPUA staff and you can designate whomever you want on this team, and he will too. We will set this thing up for tomorrow and that way we can start putting this thing in action within the next couple of days.

Mr. Bey said he likes the idea Mr. Mimms just recommended and he would totally support a joint effort between the City, FPUA, and any other entity that would like to get together and expedite this thing so we can start evolving. It seems like the bureaucracy of actually going out, simulating the paper work, and getting the appointments have become a problem. We need to be proactive and move this thing along.

Mr. Matthews asked if we could look at two motions. He said the first one is a motion to pull the money and bring it back to the City and Utility staff. The second motion he would look at and beg to whole heartedly is to move the date over a little bit since we will need about two days to get the administration set up and take the money back. With that we could say to go back to September 5th or something like that.

Mayor Hudson said she would like to put in a word here for Mustard Seed. Because this is a long standing charity here in Fort Pierce and they are being inundated because of COVID and she thinks that is part of the problem why they are not able to move along. They are supported by donations for the most part and they do a really good job. She does not want Mustard Seed to be looking like this because of this crisis they are over whelmed too. Mayor Hudson said she does not object to pulling the money from them for that, but she would not pull it all because people traditionally go to Mustard Seed for help with their utility bill. She said they are used to doing that so she would not support pulling it all. Certainly we could find out how much they have and pull some of it and leave some of it there for them to be able to handle. That is one of their problems they are having a rough time because they have others things they do there. They provide food and rental assistance and all kinds of things. Like other charities, they are just inundated. The Governor's order will last until September 5th and asked if that is the date Mr. Matthews mentioned.

Mr. Matthews said right.

Mayor Hudson said that would coincide with that Order and somebody would have to verify that for her and she does not object to that.

Mr. Matthews said there are two other concerns he has before we get ready to vote and whomever would like to make discussion. He said one is the Mayor suggested leaving some money and he thought we would be coming to help them out and just take all the money because they have not used it.

Mayor Hudson said that is okay.

Mr. Matthews said the other one he is concerned about is the other money that is left out there and the other money we have of $94,000 plus, we could use all of this money. He said we could put a good program together like Mr. Mimms has suggested.

Mayor Hudson said right that is a good point.

Mr. Fee said perhaps the way to proceed is one to collectively the City and the UA add some manpower to the Mustard Seed. He said maybe we take the other money from the Weatherization Program and have the UA and the City administer that on their own.

Mayor Hudson said she likes that.

Mr. Matthews said okay. He said we have three things we have to worry about now, let's start with some motions. The first one would we should make the motion to pull the money, but you are saying to not pull the money, leave it. Then we need to make a motion to ask the administrative staff to pull the Weatherization money and we make a motion to transfer it into Customer Service.

Mr. Bey said he if he is not out of line he thinks the first thing we should do is establish the extension date we are willing to go and then put everything around that.

Mr. Matthews said okay, he said he threw out a good date of September 5th and asked if Mr. Bey if would like to tear it up or down, it is up to him.

Mayor Hudson said she moves approval of September 5th, seconded by Mr. Bey for discussion.

Mr. Matthews said it has been moved and seconded, Mrs. Hudson made the motion and seconded by Mr. Bey. He asked Mr. Bey to go ahead with discussion.

Mr. Bey said just for the record, he is supporting the extension to September based on our conversation of establishing a joint program between the City and the UA to expedite matters so we can get this situation resolved.

Mr. Matthews said yes sir and asked if there is any additional discussion on that.

Mr. Fee said he agrees with Mr. Bey.

Mr. Matthews said at this time we have a motion on the floor move the cutoff date extended to September 5, 2020. He asked for the roll call and to vote yes if you like September 5th and if you do not like September 5th you would vote no.

The roll was called and it was unanimously approved for the cutoff date to be moved to September 5, 2020.

Mr. Matthews said we need a motion to transfer the Weatherization money said to be about $94,000 so we will say in excess of $94,000. He said that will be held by the City staff and the

Utility staff. The motion would be to transfer the money from the Weatherization Program to be administrated by Customer Service.

Mr. Fee made a motion to transfer the Weatherization funds of approximately $94,000 to a joint partnership with the UA and the City to be administered to those customers that need assistance in paying their utility bills, seconded by Mayor Hudson, and unanimously approved.

Mr. Tompeck said the next item is for information only about some of the recent electric outages we have had. He thought the Board would like a little better understanding of what has been happening and Paul Jakubczak will make the presentation.

Paul Jakubczak, Director of Electric and Gas Systems, said he will talk about some of the recent outages we have had over the last couple of weeks. First he would like to give a little background as far as why some of the outages affected more people than they normally would. Back on June 23rd, we had an outage at the Savannah Substation and Transformer #1 faulted as shown in the picture. That is not the normal color of an insulator, the normal color is the grey color shown behind. There was an internal fault to the transformer which caused this bushing to blow. That outage affected roughly 3,800 customers and all customers were restored back in power around 1:46 in the afternoon through some creative switching. When he says creative switching, FPUA had our Totten Sub that is out by 37th Street feeding some of the load over by US 1. That gives you a general idea as far as how much switching we had to do to get our customers back into power. The good part about it is we were able to do that because the way our system is configured. We had load switched over to our King Sub, our Totten Sub, the Lawnwood Sub, and also we had some additional capacity in the second transformer at the Savannah Substation. The good news about this is this transformer was the first one to be replaced in December. The Board had approved some improvements to our substations over the next six years to replace transformers and this just happened to be the first one. We actually had a spare transformer in our Totten Sub so we were able to go ahead and replace that. The crews were given 30 days to go ahead and get that replaced and re-energized and Mr. Jakubczak said he is proud to tell the Board that in 23 days, last Wednesday it was energized and all the circuits were restored back to normal and that eliminated some of our exposure. He said a lot of people know this and that is lightning is not our friend as you can see by the displayed picture. When lightning goes to the ground it will go through whatever it can to get there.

Mr. Jakubczak said we talked a little bit about the next outage at the last Board meeting. He said on July 4th, we had a lightning storm come through at 6:52 PM and the lightning took down three spans of primary cable on North US 1 causing a breaker to lock open at Garden City. This resulted in roughly 1,531 customers being out of power which included St Lucie Village and North US 1. The line was completely restored at 9:04 PM. Also at that time at 7:23 PM we took a bunch of other lightning strikes and our Totten Substation Transformer #2 went out and affected our Energy Services Center and the Water Plant. Roughly 470 customers were affected and the outage was restored about 7:38 PM with the transformer being put back on and the customers

were restored. The problem we had is we also had some IT and phone issues as well. We lost our Outage Management System which basically froze the website display that showed roughly 1,500 customers out. We lost half of our phone lines through an AT&T issue. In addition to major outages highlighted on the screen, we also had six additional breaker operations, which lasted for about 28 minutes leading to scattered outages throughout our system. Around 9:25 PM, all of our network systems were rebooted and tested and we took our phones off the IVR system. We started with Mr. Jakubczak said he would call old school storm restoration basically using pencil, paper, sticky notes, and outage maps. By 11 PM all the servers were rebooted and tested and we were able to start entering data into the Outage Management System, which allowed us to better put our crews to where they need to be. Our crews worked through the night to replace roughly five distribution transformers that also got struck by lightning.

Mr. Jakubczak said on July 10th, we had another lightning strike at 2:30 PM that hit our King Substation affecting approximately 3,800 customers in downtown Fort Pierce, Port of Fort Pierce, and West of US 1. The power was restored to all the customers affected by 3:06 PM and all repairs to the system were made by 8:30 that night. If you look at the pictures displayed, it shows a line PT that takes a 69 KV voltage and drops it down to 120 volts for relaying. As you can see in the picture on the left, the middle PT is not supposed to look like that, it is supposed to look like the one on either side of them. The right hand picture is actually what that structure looked like after the lightning strike. In addition to this, we had scattered outages, but we did not lose our Outage Management System and were able to address those accordingly.

Mr. Jakubczak said the next day on July 11th, we had another lightning strike in the downtown area at 3:52 PM and it took down two spans of primary cable at Georgia and 3rd Street. He said it caused a breaker at King Substation to lock open and affected roughly 702 customers. At around 4:42 PM our crews isolated the fault and were able to restore power to approximately 500 customers and at 5:04 PM they were able to get the spans of primary back up and do the rest of the restoration because of the storm that rolled through.

Mr. Jakubczak said if that was not enough, on July 12th, we also had a storm roll through in the morning this time a little after 10 AM and lightning took out the breaker at our Totten Substation. He said this affected roughly 606 customers and our crews restored all that power around 10:56 PM. This lightning strike also opened one of the 138 KV breakers inside of our Hartman yard. FPL was notified because they are the ones who operate this for us and they scheduled to come in Monday and do the investigation and repair. What they did find was there were two sets of contacts outside of the relays that had welded themselves together and they came in and did the repairs and testing and we were able to put the line back in service at 5 AM on the 14th. In addition to the operation at Totten Sub, we also had the King Sub and Lawnwood Sub operations that caused scattered outages. We also had distribution transformers to replace.

Mr. Jakubczak said some of the potential solutions to fix this is to install additional lightning arrestors on our system. He said the two pictures on the right and the left are what FPUA has on our system, which are lightning arrestors. Basically they will shunt the high voltage coming from

lightning to ground, similar to what you have when you have a surge strip for your computers. We have installed quite a few on these systems and are going to continue to look at more locations where we can install them. The other option we have is to enhance our lightning protection in our substations and we plan on looking at our ground system to make sure it is adequate for what we need in our substations. We are also looking at if there is a different way to ground and protect our equipment inside our sub. If you look at the picture displayed, the big metal poles act like lightning rods and they are supposed to attract the lightning instead of it hitting our equipment and then dissipate into ground. As you can see from the King Plant picture in the previous slide that did not necessarily happen. Throughout all these outages a big thank you to the Electric T&D Line crews, Electric T&D Substation crews, Electric Operations, Customer Service, Electric Engineering, and ITS for their dedication to our customers in the system and restoring power to our customers. Mr. Jakubczak said he is available for questions other than how we can truly get lightning off of our system.

Mayor Hudson said Florida is like the lightning capital of the United States and asked if we have more lightning than any other state, or more lightning strikes.

Mr. Jakubczak said that is correct, we do have more lightning strikes than any other place and he should have included the picture he received from the weather service. He said a little bit further north and towards the middle of the state is like lightning central. From the look of the maps, they probably get twice as much as we do.

Mayor Hudson said she has heard the west coast too, Hillsborough and Pinellas County get a lot too.

Mr. Matthews said so we can count on the months like July and August being carried with lightning.

Mr. Jakubczak said unfortunately he believes so and what you will see at his next reliability report is that our numbers will go up because of these lightning strikes and the amount of outages that we have had.

Mr. Matthews said with some of the transformers on the main thoroughfare and asked if we have to for safety sake get police to help take care of it.

Mr. Jakubczak said if they are on a main, yes we will normally try to get the police to help us maintain traffic. He said this past weekend on Sunday we had a car versus pole, which took out the entire pole on South US 1 at Farmer's Market. If the guys feel they need police help, they will get police help. If not, normally we make sure we set up the proper protection for our crews working alongside the roadway.

Mr. Tompeck said the next item is the Bill Comparison for the Month of May 2020 and Barbara Mika will make the presentation.

Barbara Mika, Director of Financial Services, presented the Bill Comparison for the Month of May 2020. She said she will be presenting the monthly update on the comparisons of municipal electric rates in the State of Florida and of the local Treasure Coast utility bills for May 2020. In the first graph the comparison of residential electric rates for 1,000 kWh of consumption for the month of May for the 13 municipal utilities, in the State of Florida that are members of the "All-Requirements Project" are displayed and ranked based upon their base bill amount. In this graph we can see where FPUA ranks among the 13 ARP participants. Our May rates at $103.84, depicted with the yellow bar ranks FPUA with the 6th lowest rate of this group. The next graph displays the May comparison of Florida residential electric rates for that same level of consumption and includes all of the municipal utilities in the State. The data for all of the graphs that are being presented has been compiled by Florida Municipal Electric Association. FPUA's May bill for this level of consumption which includes the $2 reduction in the PCA is at $103.84 and ranks FPUA with the 15th lowest rate in comparison to all 31 municipal utilities in the State of Florida. This keeps FPUA once again in the mid-point for 1,000 kWh. In May there were 10 of the 13 ARP utilities that implemented rate changes for their customers. The overall impact of these rate adjustments on the ARP average was an increase of $3.02. There were two large rate increases for the cities of Havana and Starke that set off all the decreases the other utilities had put in place. There were also adjustments by 22 of the 31 municipalities which impacted the overall municipal average with a reduction of $1.93. FPUA's May 2020 rate falls below all three averages for this level of consumption at $103 and we are below the ARP in municipal average and the IOU.

Mrs. Mika said the next graph presents a similar comparison of municipal utility bills within the State of Florida for the consumption of 2,500 kWh. She said in this comparison, FPUA's May bill standing at $262.30, was impacted by other municipalities' rate reductions with a shift to the left, since April, to the 17th lowest rate among this group. FPUA's rate for 2,500 kWh for the month of May falls below the averages for the ARP and the IOU. The table displayed is the May comparison of the average residential utility bills on the Treasure Coast. In this comparison, FPUA's utility bill for all three services provided inside city limits is shown in the first column in blue. All other bills in this table have electric services provided by FP&L and water and wastewater services by the locality's provider. The electric rates comparison brought a one-time drop in the fuel costs for FPL customers which lowered the average bill for Treasure Coast customers by $23 - $24 range for the total bill for the 1,000 kWh. FPUA implemented a $2 reduction on the PCA. While this local bill comparison leaves FPUA with the largest overall bill in this comparison for May, know that FPL fuel cost reduction reverts back for June which will bring the average bill in the same range as FPUA. The comparison includes the bills for electric, water and wastewater services that a residential customer, with average consumption, would have experienced if they resided in one of these service territories. These figures include all of the applicable taxes and fees and have been verified by staff to actual or historical bills. This item

has been presented for your information only and requires no action. However, if you have any questions I would be happy to address them.

Mr. Matthews said Barbara did a good job and thanked her.

Mr. Matthews said we added Item G-4 and asked Mr. Tompeck to bring us up to date on that one.

Mr. Tompeck said Item G-4 is a Sub Recipient Funding Agreement for the St. Lucie County CARES Act and Javy Cisneros will make the presentation.

Javy Cisneros, Director of Utility Support Services said he is here to request the execution of the Sub Recipient Agreement for the Coronavirus Aid, Relief, and Economic Security (CARES) Act with St. Lucie County. This agreement will help FPUA recover cost directly related to COVID-19 for FPUA. A quick overview of the CARES Act, from the US Department of Treasury through the Florida Division of Emergency Management, St. Lucie County is eligible for up to $55.5 million for our community's response and recovery to COVID-19. The County will receive an initial disbursement of $13.8 million with the remaining $41.75 million on a reimbursable basis. The CARES Act funding is divided into five categories. Starting at the bottom left of your screen 30% or approximately $16.6 million will be used for economic recovery which includes small business grants, workforce training, development, and other business related services. Highlighted in the green circle at the bottom of your screen is dedicated to Social Services and Mr. Tompeck and Mr. Mimms talked about that today where 30% or $16.6 million will be used for Housing and Social Services. Even though this is not directly related to this specific item on the agenda item for approval, Mr. Cisneros said he would like to highlight Social Services for our customers and the audience watching on line and on TV. Next 20% or $11.1 million will be used for SLC Public Safety/Health & Constitutional offices such as the St. Lucie County Jail, Tax Collector's office, Property Appraiser's office, Medical Examiners, Court Administrator, etcetera. Highlighted in red is 10% or $5.5 million will be reserved for municipalities and unincorporated SLC offices. This does include FPUA's municipality and we will cover this in the next couple of slides. Last, 10% or $5.5 million will be reserved for future COVID & Hurricane expenses. As mentioned earlier, Social Services is not related to today's request, but it is important for us to highlight the funding available to our customers through an online application. A St. Lucie County resident can request a one-time assistance of up to $4,000 to help pay for utility bills, mortgage and rental payments, property taxes, HOA, homeowner and flood insurance payments, and transportation support such as car payments, car insurance, and registration renewals. We have actively advertised this information as Mr. Tompeck mentioned earlier on FPUA.com, social media, radio, bill inserts and other platforms. The County and the Economic Development Council have been very helpful with getting us up to speed with the CARES Act so we really appreciate their help. Also, they have included FPUA on their website under Social Services and he thanked them for being great advocates.

Mr. Cisneros said FPUA may be eligible to recover expenses associated with COVID-19. He said the first step is to execute a sub recipient agreement with SLC, which we will discuss on the next slide. The expenses we can recover include payroll expenses, equipment, materials, etc. Any item that was not budgeted, but directly related to mitigating or responding to COVID19 that is a very important part of the requirement. To date, we have about $209,000 directly related to COVID19. Those items include $162,000 for H2O2 air scrubbers and bipolar Ionization units that clean and filter the air within our buildings to mitigate the spread of the virus. Another $27,000 in staffing hours for temperate checks, COVID19 planning, about $20,000 in printed materials, masks, contractual cleaning services and other related expenses. The agreement requires FPUA to adhere to all applicable laws, rules, and regulations for this funding. We feel comfortable with being in compliance because it is similar to the requirements for any FEMA reimbursements related to hurricane restoration. Expenses must be incurred on or after March 1, 2020 through December 30, 2020. He said $5.5 million is a lot of money, but given the eligible entities, the funds will not last long. In summary, staff requests the execution of this agreement and authorizing me as the representative for the administration of the agreement.

Mayor Hudson asked if everything is on a reimbursement basis.

Mr. Cisneros said yes that he would be working closely with Barbara Mika and we will have to provide documentation and submit it online. He said it would then go through a verification process for eligibility and then once that gets approved, FPUA would be eligible for reimbursement. He is not sure of the time frame, but there was some discussion of three to four weeks. He has not submitted one so he does not know how long it will actually take.

Mayor Hudson said if FEMA ever acted that fast, it would be a miracle.

Mr. Cisneros said he is looking at Barbara and they are both laughing.

Mr. Mimms said he wanted to say something to Javy, he said his understanding of the Sub Recipient Agreement is that St. Lucie County will front the reimbursement and then they will be reimbursed through the Department of Emergency Management. Our reimbursement or FPUA's reimbursement will come much quicker than we are used to.

Mr. Cisneros said that is excellent and good to hear. He said that lines up with the $13.8 million they initially get and then they get additional funding as they disperse the initial $13.8 million. He said that is good to hear and is why it is important to get this done so we can start submitting request for reimbursement.

Mr. Matthews said he has two questions. He said the first one is that anything after December 30, he asked if you have to submit a new agreement.

Mr. Cisneros said no, right now the CARES Act specifically targets any expenses between March 1 and December 30, 2020. He said there may be something in the future after December 20th, but as of right now that is the timeline that has been defined by the CARES Act.

Mr. Matthews said the other question he has is he does not see anywhere that medicine or food was eligible for reimbursement. He said we have a lot of senior citizens in the City of Fort Pierce.

Mr. Cisneros Social Services is part of that, but this agreement only applies to FPUA as a municipality. He said it does not apply to individuals, only organizations and companies like FPUA City, Fire Department, Police Department, and those kinds of entities.

Mayor Hudson asked if a motion was needed to approve.

Mr. Cisneros and Mr. Tompeck said yes.

A motion was made by Mayor Hudson, seconded by Mr. Fee, and unanimously carried to approve the St. Lucie County Coronavirus Aid, Relief, and Economic Security (CARES) Act Sub Recipient Funding Agreement, and authorize Javier Cisneros to act as FPUA's Authorized Agent and representative for administration of the Agreement and any required submissions or funding requests.

Mr. Tompeck said the next item has to do with adopting Resolution 2020-07, which is the budget for FY 2021 and amending the budget for FY 2020. Barbara Mika will make a presentation on the budget and then Ms. Johnson will read the title.

Mrs. Mika presented the Annual Budgets for the fiscal year ended September 30, 2021 and amending the fiscal year ending September 30, 2020. She said this budget was prepared with the strategic focus of FPUA in mind. Advanced Metering Infrastructure and the future prospects of a Mainland Water Reclamation Facility lead the pack. Working with the City on expansion projects that help support the current and future needs of FPUA 's service territory and the City. Continued business development, expansion of the gas service territory and developing the infrastructure for a Smart City are all part of the plan to bring new businesses to Fort Pierce. The Capital Improvement Plan, developed as part of this budget provides for reliability improvements that will be made over time. FPUA is working on a multi-year storm hardening program to improve our electric system reliability. Strengthening our infrastructure improves reliability of our aging wastewater system with the continued work in force main lining. FPUA and its employees have always taken pride in the organization. Supporting our customers through reliable and friendly service, we live, work and volunteer in the community to promote a positive image for FPUA.

Mrs. Mika said there have been no changes to these budgets since they were presented to and approved by the FPUA Board on June 16th. She said the O&M Budget is formally amended twice

a year, now and then later as a true-up to the actual revenues and expenses. The calculation of the funds available for Capital is found on page 49 in your annual budget book. The amount available for FY 2020 is $8.3 million and $7.9 million for FY 2021. Any shortfalls in funds available for Capital Improvements will come from operating cash or spending will be slowed. The FY 2021 projected revenues are relatively flat to the amended FY 2020 levels. A lower Power Cost Adjustment has residential and general service sales showing higher only to be offset by a reduction in Capital Contributions for FY 2021. The $1 million increase in FY 2021 Operations & Maintenance Costs is attributable to an increased number of employees, which is shown on page 31, and in addition contractual services and depreciation expense account for that change.

Mrs. Mika said the graph displayed represents the total budget. She said the amounts include all funding sources. She said the cost of purchased power projected for FY 2021 is 41% of the total O&M. The costs of our purchases for resale are not controlled by FPUA; however, we do budget in a manner that allows for fluctuation in costs. We always hope to come in under budget and we typically do. The cost of purchased power in 2018 was $50 million or 45.7% of total budget. Lower costs of natural gas have favorably impacted our costs of purchased power. The FY 2020 amended purchases for resale are $2.5 million lower than the original projections for 2018. Revenues by system are on a slight but steady increase. FY 2019 actual revenue totals showed increases for all systems revenue due to rates changes that impacted the entire fiscal year. The FY 2020 amended and the FY 2021 original are looking level with some system revenue increases offsetting other decreases. FY 2021 electric revenue increases are a result of increases in the Power Cost Adjustments that are projected. Water revenues increases for both FY 2020 and FY 2021 are a result of adjustments to the bulk water agreement with St Lucie County. Here we have closer look at the FY 2021 revenues budgeted by system. Electric revenues are projected to be $67.3 million or 61% of the total revenue budgets for FY 2021 with a 1.3% increase from the amended FY 2020. Water and wastewater revenues are relatively flat in FY 2021 from the amended FY 2020 and are flat in that they are the same as the result of those bulk water adjustment in St. Lucie County not implemented before 2020. We are projecting them to flat in 2020 and 2021 for water and wastewater. Gas revenues remain flat from FY 2020 to FY 2021. Anticipated Operating revenue increases in contract sales are offset by decreases in the PGA. The table displayed trends the Rate-Funded Original Budgets for the fiscal years 2018 through 2021 with the changes year over year and the cumulative change over the past three years. Rate funded budgets exclude non-cash expense items like Depreciation, Contingency, Accretion, Amortization and OPEB. Rate funded Capital in 2019 included some larger reliability projects the initial budgets for AMI were in that year and IWRF emergency generator. Both FY 2020 and FY 2021 capital budgets are down 2%, but still include the portions of multi-year reliability projects.

Mrs. Mika said the increases in rate funded O&M of $1.2 million is primarily due to the increase in personnel headcount and employee benefits and the other expenses mentioned earlier. She said the purchases for resale reflects the steady decline in the anticipated cost of our purchased power. This graph compares actual O&M expenses to the original Operations & Maintenance Budgets. We can see the trend that in our actual experience, expenses are typically less that the original budgeted projections by 5% on average since 2017 and we typically spend 95% of our

O&M budget. The main reason that we come in below budget each year relates to the cost of our purchases for resale. Because we cannot control these expenses, we are usually pleased that costs are lower than anticipated. This is the biggest line item in our O&M budget and we don't want to be short in this budgeted area. This close up look at the FY 2021 O&M Budget is a clearer representation of just how much of our budget is made up of purchases for resale. Purchases for resale is about 41% of the total O&M budget for FY 2021. The distribution to the City of Fort Pierce calculation of the FY 2020 & 2021 estimates can be found on page 50 of the Annual Budget. The FY 2020 calculated distribution, which is payable in FY 2021, is estimated to be $6,393,844 and is 1.9% higher than the distribution paid in FY 2020. FPUA also collects and remits the City's 10% utility tax of approximately $2.7 million last fiscal year. The graph displayed is similar to a previous view on budget versus actual and we typically spend only 40% to 50% of our capital budget each year. Project delays happen for a variety of reasons and staff continues to move forward with reliability, expansion as well as other mandated projects. The strategic focus of the company drives the projects that are addressed in the current Capital budget and the five-year Capital Improvement Plan. Advanced Metering Infrastructure and System Expansion Projects account for 13.3% of the FY 2021 budget capital budget. Seventy-four percent of the FY 2021 Capital Budget is projected to be funded through rates. The Rate Sufficiency Study indicated that approximately 40% of the rate funded capital budget can be sustained. It is expected, as in prior years, only apportion of the total capital budget will be spent. Spending is limited by staffing, emergency projects that come up, and unanticipated changes in scheduling. If necessary FPUA will evaluate the need to use operating cash to cover any shortfalls.

Mrs. Mika said the budgeting process is complex, challenging, and takes a team. She said she would like to recognize the efforts and expertise of the Director of Utilities, Finance staff, Directors, Department Heads, and support staff for the many hours dedicated to completing this budget. In conclusion of this presentation, staff is requesting the adoption of Resolution No. UA 2020-07, a resolution adopting a budget for the fiscal year beginning October 1, 2020 and ending September 30, 2021 and amending the budget for the fiscal year beginning October 1, 2019 and ending September 30, 2020, for Fort Pierce Utilities Authority of the City of Fort Pierce, Florida.

Ana Johnson read the title into the record as follows: "A resolution adopting a budget for the Fiscal Year beginning October 1, 2020 and ending September 30, 2021 and amending the budget for the Fiscal Year beginning October 1, 2019 and ending September 30, 2020, for Fort Pierce Utilities Authority of the City of Fort Pierce, Florida." This is Resolution No. U.A. 2020-07 by title.

A motion was made by Mr. Bey, seconded by Mayor Hudson, and unanimously carried to approve Adopt Resolution No. UA 2020-07, a resolution adopting a budget for the fiscal year beginning October 1, 2020 and ending September 30, 2021 and amending the budget for the fiscal year beginning October 1, 2019 and ending September 30, 2020, for Fort Pierce Utilities Authority of the City of Fort Pierce, Florida.

Mr. Tompeck said Bo Hutchison and he will be meeting with the City Commissioners individually tomorrow to update them on the Water Reclamation Facility relocation study performed by Raftelis. He said the presentation will be very similar to what the Board saw at the last meeting. One nice piece of good news is we received notification today of an award of a grant from DEP for the Fort Pierce Low Income Source Conversion Project. This grant is for $505,000 and the money will be used for the wastewater work on Fleetwood Acres. We should be able to offer low or no cost hook up for our customers to move them off septic systems and on to our wastewater system. That is a good piece of news.

Mr. Tompeck said we do have George Collins, President of the NAACP who missed the public comment section, but he is on the line and if the Board wishes they can certainly cut him in to make a public comment.

Mr. Matthews said if the Board has no objections Mr. Collins has three minutes.

Tom Fryar said he will get him on the line and it may take 30 seconds to one minute.

George Collins, President of the NAACP said he would like to say thank you to the Gentleman, the Board, Mr. Mimms, and Mr. Tompeck. He said he was talking to Mr. Tompeck earlier and basically he addressed a lot of the issues they have been receiving from the community concerning some of the things that were done. He wanted to tell you that he is not sure they know they are appreciated and know they are out there trying to do what is right for your customers. They really are having a hard time at this time. For what you are doing is a great thing and we appreciate it. He did not come on to say what we should be doing and he now sees that you are trying to work through those things and verify and he is sure it will be appreciated. As far as your new coalition as far as getting the money out to the community, he applauds that and would like to keep in contact with you on how that is going to be set up and see if he can be of any service to make sure as many as possible are aware of all those things that are available to them. We thank you again and you all have a blessed day.

Mr. Matthews said just for the record to Mr. Mimms and his staff are going to play a big role in helping the Utility Authority and his staff. He said he hopes the word will get around in a positive way and try to get the people in a timely manner. We have until September 5th so we will hit the ground running.

Mr. Bey asked Mr. Tompeck if it is safe to assume that with regards to this joint committee between the UA and the City of Fort Pierce that you will spearhead it on our end and make sure we have proper representation to move this project forward.

Mr. Tompeck said yes he will get together with Mr. Mimms as he will be over to the office tomorrow anyway. He said we can talk about how to organize this thing and get it set up.

Mr. Matthews said one thing for Mr. Mimms and Mr. Tompeck is he would hope we would not have confusion where citizens and taxpayers will go and try to get the funds between the two facilities. He said maybe both facilities can have applications or whatever it takes to move it on. He would not want them on Monday at the Utility Authority and Tuesday at the City Hall, people get so confused between a schedule like that.

Mr. Tompeck said we can certainly do that and the only thing he worries about is essentially that City Hall and our Admin building are closed. He said we will have to figure out a way we can open them up at least for these folks to come in and fill out applications or help them get moving.

Mr. Matthews said we have faith to put Ken at the door, no problem
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Mr. Bey said he forgot and said he has a question for Mr. Tompeck. He asked him if there is a way that would fit within the framework of our Charter that we could set up some kind of an emergency fund in anticipation of a situation like this pandemic and other possible things that we might be able to set money aside that could draw interest or something that we could use or have available to assist our ratepayers when something like this happens again.

Mr. Tompeck said he thinks the answer to the questions is yes. He said the problem becomes how we use that money and that is controlled by the Charter and by our Bond Covenants. That becomes the issue and we already have emergency funds set up for instance like hurricanes or whatever. That is not an issue and we can do that, but we need to figure out how we can do that to assist our customers and still not violate the Bond Covenants and our Charter requirements.

Mr. Bey asked if that is something Mr. Tompeck could look into and bring back some information.

Mr. Tompeck said absolutely.

Attorney Koblegard said he is not aware of anything in the Charter, but the bonds it would specifically nullify our desire to do that. He is pretty sure that can be accomplished.

Mr. Bey said that is very good.

Mr. Matthews said if we can do it, it sounds like we could go in a positive direction for that. He said he gets tired of scratching his head on every subject that comes up and thinks we are doing pretty good as a Board to try and work with the public on this particularly situation, especially for our ratepayers and our customers.

There being no further business, the meeting was adjourned.

ATTEST:

SECRETARY

CHAIRMAN