MINUTES OF A REGULAR MEETING OF THE FORT PIERCE UTILITIES AUTHORITY, TUESDAY, AUGUST 4, 2020, 4:00 P.M., CITY COMMISSION CHAMBERS.

Members Present: Chairman Glynda Cavalcanti; Vice Chairman Charlie Frank Matthews; Secretary Darryl Thomas-Bey; Deputy Secretary Frank H. Fee, IV; Mayor Linda Hudson; and Rupert N. Koblegard III, FPUA Attorney.

Others present: 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, and Javier Cisneros, Director of Utility Support Services; and Joshua P. Gang, Director of Regulatory Affairs.

The meeting was called to order by Chairman Cavalcanti.

Opening Prayer was by Larry Lammers of Electric & Gas Engineering.

The Pledge of Allegiance was recited.

The roll was called and a quorum declared.

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A motion was made by Mayor Hudson, seconded by Mr. Matthews, and unanimously carried to approve the set agenda.

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A motion was made by Mr. Matthews, seconded by Mr. Bey, and unanimously carried to approve the Minutes of the Regular Meeting of July 21, 2020.

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A Customer Service Card was received from Kenneth Castle thanking Kevin McDonald of Water Distribution for fixing a water problem at his house. Mr. Castle said Kevin provided excellent customer service.

A letter was received from Caleta Scott thanking Melissa Martin of Customer Service for helping her get service reconnected. Ms. Scott said Melissa politely shared what happened, walked her thorough what she needed to do, and followed up with her later in the day.

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Mr. Matthews asked for clarification for the consent agenda.

Mr. Tompeck said there are no items on the consent agenda today.

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Mr. Tompeck said the first item is an update on COVID-19 and in lieu of a verbal report by him, we have developed a more detailed PowerPoint and Javy Cisneros will make the presentation.

Javy Cisneros, Director of Utility Support Services, presented the COVID-19 update. He said he will quickly go over some of the protocols that FPUA has in place for COVID-19 and then focus on Staff's recommendation on their proposal of handling disconnects in the next month or so. As Mr. Tompeck mentioned, we have COVID-19 protocols in place for FPUA such as strict protocols for isolation for our control rooms. We have three control rooms and only the employees that work in that specific area are allowed in those rooms. It is really important because it is a small group of people and any kind of sickness there is detrimental to the group. We are conducting daily temperature checks for all employees where they come to a central location and then go off to their offices after they have been checked. In-state travel is limited and we have suspended out of state of travel. The in-state travel is important because quite a bit of employees that require certification and continuing education requirements for their licenses such as engineers, accountants, and lawyers (we have a lawyer in the company now). There is mandatory use of masks in all common areas and we do not have to use them in our offices. We are trying our best to hold all meetings virtually, if possible. It is not always affective, but when possible we try to hold meetings virtual. We have experienced in the past couple of Board meetings that is really hard to do for a Board meeting. We are following strict guidelines for social distancing and for any groups larger than ten, we try to break up in smaller groups. If you are unable to maintain social distancing, you do have to wear a mask. The majority of staff is working from home, about 60% of the employees are still working from home. The customer lobby does continue to remain closed to the public, but we have allocated those staff members who typically deal with the public to handle phone calls for any kind of customer inquiries.

Mr. Cisneros said the big topic of the day is where we are with the disconnects. He said in early July we had reached a peak around 2,100 customers that were eligible for disconnects and that number has dropped as of last Friday to 1,470 customers. That is directly related to the number of customers who have signed up for a payment plan. If you sign up for a payment plan, you automatically come off the disconnect list and that is a theme you will see here today. We will make a recommendation today related to that. What that means for a customer to be on a payment plan is if they sign up for a payment plan, they automatically come off the disconnect list, they will not be disconnected. Financially for our customer, about 75% of our customers just meet the minimum requirement for disconnect, meaning they are two months behind. The average residential customer based on the data we have evaluated for two months is a total of $455 or an average of $225 per month and for a commercial customer it is $829 for two months or approximately $415 per month. If you sign up for a payment plan, you become current, your bill is now current and the $455 is divided over 12 months. So $225 plus $50 is what the customer would have to pay for their next bill. What we have right now as of Monday is 702 residential customers that have signed up for a payment plan, which amounts to about $444,000. We have 44 commercial customers that have signed up for a payment plan, which is just under $52,000. Mr. Cisneros said one thing about the payment plan is for residential customers, we do have a

12-month pay plan so any past due amount will be spent over a 12-month period to make it more manageable. He said for commercial customers, FPUA has a 6-month timeframe for a payment plan.

Mr. Cisneros said some additional relief efforts FPUA has provided for our customers is we waived all penalties and all late fees, which is about $211,000 that our customers are not required to pay. He said FPUA has developed a sponsorship of $100,000 for a one-time assistance up to $400 for any customer that qualifies. That is $50,000 with Mustard Seed and $50,000 with ALPI. We have allocated an additional $100,000 to the relief fund as approved by the Board at the last meeting and will be using those funds from WEOP. The slide displayed shows a recap on what Mustard Seed and ALPI has done. Mustard Seed has issued 59 vouchers for about $28,000 and have 11 vouchers pending for about $4,000. ALPI has issued 8 vouchers for $2,212 and has 38 vouchers pending for just under $12,000.

Mr. Cisneros said he, John, and Jann did meet with ALPI last week and learned about their process and we have assigned an employee to their office with their first day being this week. He said so far the process seems to be working really well and we hope to get some positive feedback by the end of the week. The verification process is involved so our employee there is helping them verify the utility related information for the applicant which is an important process because it can be very time consuming. During the last Board meeting, we talked about contacting our customers and we have done that. On the current cut list we have 1,470 that are eligible for cut and we have contacted 992 customers and this is interesting information. Of the customers we have called, 451 have not responded and they do have a valid number and voice mail and we have left a message, but have not heard back from them yet. We will continue to reach out to those customers. Of those called, 184 have paid and 118 have said they will come in to pay soon and that is information from last week. The line in the drive through this week has been very long for the last couple of days. We have 189 customers who have made payment arrangements and interesting enough we had about 50 customers waiting until cut-off and those paying soon that Mr. Cisneros believes are related. We did have customers actually tell us they are waiting until they know when the actual date is going to be enforced. They want to know how to manage their money they are potentially getting for relief.

Mr. Cisneros said the next slide shows what FPUA is proposing to the Board and hope you will consider it. He said part of the work we are doing is trying to reach out to the customers to put them on a payment plan and begging to put them on a payment plan. We are thinking about automatically putting them on a payment plan so nobody gets disconnected and that will bring them current with their current bill plus for an average residential customer $50. An average residential customer would have to pay their next bill of $225 plus the $50 and that is an average customer. There are customers on the list that owe more and some owe a little bit less. It does eliminate the wholesale need for disconnects and that is really important because that is a lot of customers in a very short timeframe. It is a lot of work to disconnect them and reconnect. For the Board, it eliminates the need to extend the disconnect date, which is important. It allows

customers a little bit more time to seek additional relief support from the CARES Act, Mustard Seed, and ALPI. We took a quick look at our resolution and we feel pretty comfortable that what we are recommending does not violate our resolutions that allow "for unusual or special circumstances to make special payment plans". We can make special payment arrangements at a customer's request, but here because of the pandemic we can automate the payment process for all of our customers that are on the cut list. There is a downside because it does expose FPUA financially, but with this recommendation, it does bridge the gap between the customer's needs during a pandemic and FPUA's responsibility as a utility. This is a recommendation we are asking the Board to consider today. FPUA will continue to support any applications and expedite them for ALPI, Mustard Seed, and the CARES Act.

Mr. Cisneros said the CARES Act as mentioned in a previous presentation does have a section for Social Services of about $16 million and that provides a one-time assistance of up to $4,000 to include utility bills. He will be working closely with the County and did get this information last week that about 56% of the applications, of the 1,800 applications that were made to the CARES act have a City of Fort Pierce address. So 44% are Port St. Lucie or just St. Lucie County addresses. We should get some very interesting results from the CARES Act in the next couple of weeks as we continue to work closely with their staff. The cut list will be provided to them and they will cross reference that with the applicants who have applied for assistance so we can continue to reach out to them to be sure to get their account squared away.

Mr. Cisneros said some of the things FPUA has done so far is our outreach continues to include FPUA's COVID-19 payment program, the ALPI and Mustard Seed sponsorship, and the CARES Act information. They will have plenty of information and data to go reach out to these organizations and help get assistance. FPUA has sent some individual letters to our customers, given them personal calls, have a press release every other week on TC Palm, very active on Facebook with all of our press releases and FPUA.com, and very active with radio ads on WFLM and WQCS. With the payment plan, if the Board does approve that recommendation, we will also send each customer a letter that gets added to the payment plan with what their payment plan is and any information on financial relief resources. That is the quick version of the COVID-19 update and Mr. Cisneros said he would be happy to answer any questions.

Mr. Tompeck said he would like Javy to mention by doing this we will probably take a couple of weeks to get the letters out and everything. He said you can assume you will see no cut-offs at least until the end of September.

Mr. Cisneros said it will take time to process the data, John is absolutely right.

Attorney Koblegard asked how staff follows up on the no response customers.

Mr. Cisneros said staff will continue to call until we are able to get in touch with them or send them a letter.

Attorney Koblegard asked if there is any way to tell if they are occupied.

Mr. Cisneros said there is a very small list of eight accounts that were not occupied and the accounts were closed so those will be written off.

Attorney Koblegard asked if a notice was put on the door.

Mr. Cisneros said we send them a letter in the mail that they are past due.

Attorney Koblegard asked if it was posted on the house as well.

Mr. Cisneros said no it is not as of right now. He said the only notice we currently put on the house are medically essential customers. We do not disconnect them without giving them a certified letter and posting something on their home.

Mr. Matthews thanked the efforts of staff and the Director for the proposal they brought before the Board. He said before he gets into his deep concerns, he will ask a couple of questions. On the one where you talked about wholesale disconnect and asked what the definition is of wholesale.

Mr. Cisneros said the 1,470 customers we would work in a very short timeframe to disconnect those customers, that is what is meant by wholesale, in a very short timeframe. He said whatever our resources are allowed to perform in a day he believes 40 or 50 customers a day.

Mr. Tompeck said wholesale just refers to the entire group at once.

Mr. Matthews said his other concern is a complaint that he is getting twice from the same person, but it is valid. They said they went down to Mustard Seed after they got a call and they sit down and what their complaint is they want a copy of a driver's license, annual salary receipt, social security card, and they named about four other things. Mr. Matthews said what bothers him is people are reluctant to want to give social security numbers and the second he can imagine if you are talking about 56% of the people who are going to try to apply for the CARES Act, how they are even going to have a driver's license is another defeat. The person that hops a ride with somebody does not have a car or a license, but they still have a light bill. He would like it to be clear of what the definition is what we need to do to help finance the system. His other concern is if you have $455 as an average of delinquent, if we are going to advance $400 to them then only $55 can we set them up in a plan rather than stretch it out 12 months. He asked if we could just have them pay the $55 in less time.

Mr. Cisneros said if he understood the question the $455 will be spread out over the 12 months.

Mr. Matthews said you are advancing the $400 to them up front, is that right.

Mr. Cisneros said the $400 is only for ALPI and Mustard Seed. He said each applicant for the Mustard Seed and ALPI can get assistance from those organizations up to $400 that is completely independent of the payment plan. The payment plan will be the full amount of the past due balance for residential customers.

Mr. Matthews said he would like to tweak that a little bit before we go home today. He said the other thing he would like to share with the Board he is concerned about is we advance and transfer money $94,000 plus and asked when we are going to include that into the overall percent. If you go back, you see Mustard Seed has approximately how much money they have left and then the attendance from ALPI. It seems like when you finish that there are other hidden agendas of some money and asked who is managing that money.

Mr. Tompeck said there is no hidden agenda with the money. He said the $100,000 is there and when we exhaust the ALPI and Mustard Seed funds, we will simply send it out. One of the other things we are thinking about doing is rather than sending it to Mustard Seed or ALPI is to just have our staff do some of the evaluations.

Mr. Matthews said he thinks that would be safe and one of his recommendations he strongly thinks we ought to manage any other money other than what is already been set aside.

Mr. Tompeck said he agrees with that and is one of the things we are looking at based on the last meeting. He said part of the problem there is we have the customer lobby closed and the logistics become a little more difficult. We have all the information obviously and the idea here is really the only proof we need is some kind of proof they are affected by COVID-19. He thinks that is fair, we are not looking for their life story, just looking to see if they have really been affected by COVID-19.

Ms. Cavalcanti said for example if Mustard Seed is asking for this information, doesn't FPUA ask for that same information to turn on their utilities.

Mr. Cisneros said yes we do and the reason they require identification is to verify they are not giving the money to somebody who is not the account holder.

Ms. Cavalcanti said right so if John Doe comes up to Fort Pierce Utilities and gets his electric turned on, he comes up with a driver's license and a credit card and all this other information.

Mr. Cisneros said proof of ownership of the property or a lease agreement of some sort.

Ms. Cavalcanti said the same information is being requested when they go over to Mustard Seed because John Doe may not be John Doe, it may be someone else.

Mr. Cisneros said he is not familiar with the social security request, but is familiar with the driver's license request.

Mr. Matthews said that is discriminatory there because he does not drive, why would you penalize me.

Ms. Cavalcanti asked if he put on utilities in his name because how did you do it.

Mr. Matthews said if he owns a house that does not necessarily mean he owns a car, I may be too old to drive or too sick to drive. He thinks that needs to be revisited.

Ms. Cavalcanti asked if he is going to come up to FPUA when they have their in-house plan, we do not go to them, they have to go to us.

Mr. Matthews said how can you give a license when you do not own a car.

Mayor Hudson asked if she could interrupt and said you can get a valid picture ID.

Mr. Cisneros said that is correct, you do not need a driver's license, it can be a valid ID.

Mayor Hudson said it does not indicate you drive. She said many things that you do in life require a picture ID or something like that, but and she does not know where you get it.

Ms. Cavalcanti said it is the same department where you get a driver's license, the DMV.

Mr. Matthews said he goes along with that.

Mr. Cisneros said he thinks if you do not have a driver's license or and ID, he thinks a social security and birth certificate is required, if he is not mistaken. He said typically we have not run into the issue of not having identification of either and ID or driver's license.

Mr. Bey said good work to Javy and that he likes the out of the box thinking on this. He likes the fact we actually are reaching out and being pro-active with our customers. He thinks it is a little unusual when we are trying to give somebody money for them to tell us why they cannot take it. Mr. Bey does not understand how somebody can operate in 2020 without some form of picture ID so maybe we need to start including in our bills instructions to our customers to let them know they can go to the Driver's License Bureau. Even though you do not have a car or not want to drive, you can get a state ID with your picture on it because that is important to do business anywhere in the country, is a photo ID. Mr. Bey said he has a question that Mr. Mimms said the City would chime in and help us with this and wondered if there was any part of this that the City has helped us with.

Mr. Cisneros said we did have a conversation about this and John may want to tackle it.

Mr. Tompeck said we looked at, based on the last meeting, and went back and looked and decided what we needed to do. He said one thing Mayor Hudson did was a Public Service Announcement and that was very much appreciated. We felt we had enough staff to either assist Mustard Seed or ALPI as required and we think we have enough staff to go through this payment plan option we are suggesting to the Board today. Mr. Tompeck said he did not contact the City because he thought we had enough people to do the job.

Mr. Bey said okay, very good.

Mr. Cisneros said to answer Mr. Matthews' question about driving, nearly 99.9% of the customers that are on a payment plan have been done over the phone or on the internet with their email. He said we have had very little interaction with customers that have been put on a payment plan.

Mr. Matthews said thank you and he appreciates what the Mayor said about the photo ID because he was thinking you were talking about driving a car down the road. He appreciates it being brought to his attention and now sees you are talking about a Florida ID.

Mayor Hudson said she has worked a little bit with Stacy Malinowski at Mustard Seed and she has been doing this a long time. She said one of the things she does that is required of her Board is she has to verify for any service, the person has to live in St. Lucie County and she has to verify that. There are other things they are required to verify and it is not meant to give anybody a hard time, it is meant to make sure the money is well spent and spent the way her Board wants it to be spent. She is a really incredible person about trying to help people to solve their problems when they are having financial difficulties and they come to her. Mayor Hudson said they come to her for all kinds of different reasons like they do not have a place to live, do not have diapers, do not have food, they want a blanket, they want to sleep outside, but need a shower, and people go to Mustard Seed for all kinds of needs. Stacy is very experienced in dealing with people and helping them and she is very helpful, but she is not soft and not hard, but follows the mission of Mustard Seed. She has been doing it a very long time and Mayor Hudson said she feels very comfortable that Mustard Seed is there. Mustard Seed has been our go to organization prior to COVID-19.

Mr. Cisneros said that is right, Mustard Seed and ALPI.

Mayor Hudson said they have been doing this for a long time and is very experienced. She said Mustard Seed has the system down pat and she has talked to her since our last meeting on another subject she called me on something else and Mayor Hudson asked her about the complaint that somebody came there and then were told they had to make an appointment. She actually had a visitor from somebody from the NAACP and she walked him through the whole

process, showed him the room where they were filling out the applications and told them exactly how she handles people. Mayor Hudson said she knows it is done with sensitivity and feels like our money is in good hands even if we handle it is no problem and she is not saying we should not handle it ourselves. She does not want it to be thought that Mustard Seed is somehow yanking people around because that is not what they do.

Mr. Tompeck said he understands that and we understand that Mustard Seed does a holistic solution to the problem and not just pay a bill. He said we have no problem with Mustard Seed.

Mr. Cisneros said he had the same experience with ALPI when John and he visited with them. He said they asked how many people were being turned away and they told us about 50% of the people that come there have no appointment. He said quite a few folks are just walking up to the door without an appointment as both ALPI and Mustard Seed have said.

Mayor Hudson said it is sort of a desperate time and she can see why it might be overwhelming for the organization, they have to manage social distancing also.

Mr. Cisneros said yes, our employee who is working at ALPI right now was a little intimidated by the tight quarters and large group of people.

Mayor Hudson said she has been up there and that is right it is not conducive to social distancing.

Mr. Cisneros said that is right and we gave her plenty of supplies.

Mr. Bey said he would like to add and the Mayor may already know, the Mustard Seed does the vetting for our Weatherization Program as well. He said we have had a good relationship with them.

Mayor Hudson said right, they are very familiar with us and with their process since they have done it for a long time.

Mr. Cisneros said he would like to take a second to mention something because we talked about the qualifications for ALPI and Mustard Seed. He said during the last conference call for the CARES Act because he is FPUA's representative, their vetting process will be loosened up quite a bit. That is important for any resident to know for any St. Lucie County resident. Their process will be much more relaxed.

Mayor Hudson said for the County.

Mr. Cisneros said yes for the County and as soon as they opened up the application process last week it will be interesting to see. He said it is tough because if there is not a voucher assistant in place, how do you make sure they pay their utility bill or some other kind of bill they have

outstanding. That is a little bit of a concern there, but their process is going to be relaxed. Mustard Seed and ALPI's verification process is good.

Mr. Fee said you mentioned there was going to be perhaps a little bit of exposure to FPUA and he asked if that is financial. He asked Javy to touch upon that point.

Mr. Cisneros said he wants to say it is $880,000 instead of collecting that within the next 30 to 45 days, we would spread that over 12 months.

Mr. Fee said then it is just about the arrearages being caught up. He asked if we are running afoul of any of our bond covenants or any other regulations for collections.

Mr. Tompeck said we are within our bond covenants because we are following our procedures.

Mr. Fee said it sounds like you have a good plan here, it is novel and a great way to think outside the box that will help our customers. He said at least for this short term we will know real quick which ones can pay and which ones cannot pay when we get this payment plan. That will narrow down the field.

Mr. Cisneros said he thinks it also helps the customer not get into a deeper hole and not continue to expose FPUA's financial position.

Mr. Tompeck said it gives them a few more weeks to seek relief.

Mr. Fee asked if the plan is to get some letters out to let them know about the payment plan.

Mr. Cisneros said the plan is to automatically put them on a payment plan and tell them their bill is current and this is what they will have to pay for their past due amount over the next six or twelve months.

Mr. Matthews asked if we have a person in customer service that is making phone calls.

Mr. Cisneros said yes we do, we have three or four employees making calls because we have a certain amount of employees that are taking normal calls throughout the day. He said we have dedicated some employees to just call the customers on the cut list. That was actually 992 out of the 1,670 that we had on the 21st.

Mr. Matthews asked if we are getting positive responses on Facebook.

Mr. Cisneros said he does not know, but we have been on Facebook quite a bit, also fpua.com, the radio, and press releases to TC Palm. He said we have been very active in all of these areas.

Mr. Matthews said we have a popular DJ by the name of Joe Jenkins and he actually operates out of 91.1 and asked if there is a reason they are not on our program.

Mr. Cisneros said we can certainly add them to the distribution list.

Mr. Bey said that particular station is more targeted like WFLM to our particular market. He said nothing against WFLM because he listens to them a lot, but he thinks the market we are after are listening to WFLM and 91.1 stations.

Mr. Cisneros said we certainly will add them to the list.

Mayor Hudson said she thinks she did two radio spots on 1590 and a 1530 and it went to just one station, she thinks WPSL. She said maybe this station would be good to have the PSA on too if they would do it. She really thinks what you have shown is FPUA is going above and beyond trying to help people out and that is what she hoped would happen in this time period. She thinks if the customers are listening or watch this, it is good Javy made this report so we all know all the extra lengths FPUA has taken to make sure the customers are not in crisis. So much else is going on in their lives so it is really important we show that kind of care. She appreciates it.

Mr. Tompeck said he hopes this will address Mr. Sessions question from last night's City Commission meeting.

Mayor Hudson said she hopes he is listening.

Mr. Matthews said maybe somehow customers may write us a letter of appreciation.

Ms. Cavalcanti said that would be real nice.

Mayor Hudson asked if Mr. Tompeck needs a motion on this.

Mr. Tompeck said it is obvious that everybody is in favor of this so we do not need a motion, we will go ahead and do it.

Mayor Hudson said she would like to be updated at the next meeting to see how we are doing.

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Mr. Tompeck said the next item is to the Emergency Power for the Energy Service Center for information only and Javy will be presenting this item.

Mr. Cisneros said he is really glad the last presentation went really well, it makes this one a lot easier. He said today he will be talking about emergency power for critical services at the Energy Services Center and some of the future plans to storm harden this very important building. In

the last 18 months, this project has certainly kept us on our toes and he personally considers this closing ceremonies. The team that was involved in this project will definitely have some adult beverages tonight. A little bit of background on the Energy Service Center (ESC), which is the largest building in our fleet. It was built in 1992 and commissioned for occupancy in 1993. It is home to some real critical operations for FPUA that includes the Electric SCADA, FPUAnet, and Corporate Systems. It is also home to about 99.9% of our electric warehouse material for any kind of electric construction and a majority of our water, wastewater, gas, and FPUAnet material. The ESC also becomes Command Center for all system restoration and that includes hurricanes and other events that will go unnamed. ESC becomes the Customer Service Call Center where all of our reps go there to help man the phones for any kind of outage reports for dispatch. The ESC is also the home to both of the engineering groups, Gas Operations, T&D, all the linemen, Electric Operations, all the meter readers, Fleet Services, and is also FPUA's primary fueling station for our fleet. It is also home to our new Natural Gas fueling station so that accounts for about 40% of our workforce that calls it home. Because of that, ESC does require emergency power and the three major components to the emergency power for this building is the Automatic Transfer Switch (ATS), 500 KW Natural Gas Generator with both of those items being very large pieces of equipment that work in tandem, and the Uninterrupted Power Supply (UPS) that is very similar to the one you would have at home for your computer, but on a much larger scale. The reason we need a UPS is in the event we have a utility outage, it takes about 45 to 55 seconds for the generator to turn on, get up to speed, and then get the building back in power. During that 55-second gap, the critical services of SCADA, FPUAnet, and Corporate Systems cannot have any loss of power. The UPS fuels that gap by providing an uninterrupted power during an open transition scenario.

Mr. Cisneros said a little bit of information about the original equipment at ESC is the emergency generator and ATS were installed with the building so over 28 years old. He said the bulk of the pieces of equipment have pieces and parts that are very hard to find, specifically the generator is an older diesel model that was converted over to natural gas. You would have to have somebody that really knows what they are doing to repair the unit. We had an oil leak on the generator which was normal maintenance on the generator and the generator manufacturer was hired to do the repairs. Six to eight months later, three or four teams of technicians were not able to get it right. The Board approved some of the pay request to get this squared away and we finally called Cummins and told them we could not have this anymore, you have to send your best guy. They sent Bobby Steele who goes around the country to fix these types of generators and when he showed up to our site, he states he remembers our unit. Bobby was the guy who originally installed the unit, we were having an overheating issue and within 15 minutes he fixed the issue. He crawled under the generator and big support beam that holds up the 20' exhaust fan and he had written himself a note on the bar "Bobby Steele 1992, turn ¾ of the way open" and he fixed the problem. You just cannot make this stuff up.

Mr. Cisneros said the ATS was a non-service rated entrance meaning it is a dangerous piece of equipment. He said nobody wants to operate it when the door is open because of potential arc

flash. We do have it configured for FPUA to add an additional connection for a generator in the event we had an outage. We had a long outage with the generator so we had to do quite a bit of work to bypass the ATS on the generator to get a portable generator to peak the building. It was pretty important for us to address the issue. Last we have the building UPS which bridges the gap between losing power to restoring power. The older unit was a single phase unit and at full capacity, which we did experience quite a bit over the last couple of years, we had about 45 minutes of standby power. Forty-five minutes seems like a long time, but at 2:00 in the morning, it is not a very long time.

Mr. Cisneros said the slide displayed shows what the old ATS looks like and he believes they installed that ATS after the doors were installed because they blocked about 20% of the door. He said if you have ever worked on one of these things, it is very scary to operate and if you do not have an escape route, it is even scarier. If we lose utility power, this generator will come on ATS, which is significantly smaller and we addressed the egress issue, which is very important. We have also added a maintenance by-pass, which was an issue earlier and is shown as an NTS on the outside of that room. This gives FPUA the ability if we lose power, the generator will come on and if the generator would not work for whatever reason, we could go get a generator and get the building back in power while we address the issues at the generator and ATS. This is exactly the issue we had. We have introduced a new maintenance by-pass, made the ATS to be the service rated entrance, and we are also going to air condition the room so we expect the equipment to last significantly much longer.

Mr. Cisneros said the old UPS was a single phase unit where we had about 45 minutes of standby time and the new unit we have upgraded to 3-phase. He said that means we have plenty of room to grow there. We originally sized it for a 30 KW unit to give us from 12 KW to 30 KW, but the cost difference between a 30 KW and 50 KW was about $5,000 so we opted for the higher capacity unit. This will give us about four hours of standby with our current load. The only requirement we wanted was a one hour requirement to give us an hour to respond in the event of an issue so we have far exceeded the requirement we wanted. Not only did we have a manual transfer switch in the generator utility portion side of the main utility side, we also introduced an MTS in the UPS room. The middle of last year, the module that controls the unit to take it back to utility power failed so we restored utility power, but the unit failed and we had some other important computers fail. Now we have these panels so every computer will have a utility outlet and a UPS outlet so in the event one of the items fails that computer or server will have the ability to get power from one of the outlets. If the UPS fails, no problem, when the utility power is restored, we will be able to get back in business. Displayed is a high level where we were before showing if the transformer fails the generator comes on and feeds the entire building. If we have any issues here at the ATS we did not have any quick easy way to get power restored to the critical services. This next slide shows were we are now, if the utility power fails and anything happens to the generator and we are not able to get this restored quickly, then we have the ability to add a new generator and bypass the ATS switch. What the MTS switch does, is when we decide to replace the generator here, we are able to use this MTS to do that without any

interruption in service and that is a big deal for FPUA. That was a big headache and we lost a lot of sleep over this. We added an MTS downstream so in the event we cannot get a generator of this size, we can go get one of our own generators tied up to the MTS and provide power immediately to the critical pieces of equipment, which is pretty important. We have added a couple of layers of contingency there that we can address the issue.

Mr. Cisneros said the total project cost is around $570,000, the ATS was around $394,000 and the UPS was around $177,000. He said the most important thing we take away from this is we are prepared for the future. The ATS is modular, we had to replace the existing unit, but if we have to replace the ATS in the future, it is modular so it is just pieces that will have to be replaced as opposed to the entire unit. We have sized the unit to grow for the next well beyond the Board Members, John and himself in the company so hopefully the next generation will appreciate that. For future improvements, we do plan on replacing the generator that currently has a 5-year life expectancy so within the next five years we definitely have to replace it. FPUA has applied for a grant through FGU for over $650,000 and that would cover the cost to replace the generator. If we get that, we would replace the generator next year and we are estimating in FY 2022, the Board will see that on the Capital budget. Another thing we need to do is replace the roof at ESC, it is original to the building and we have no idea why back in the year they designed it, but there are three skylights. Those skylights have never stayed dry so we are going to eliminate those. Also we have a couple of elevation changes we are trying to eliminate so we can minimize any type of water intrusion areas that are susceptible to water intrusion. Instead of replacing the unit, we will just storm harden the existing roof because it is generally in good shape, but there is a life expectancy to it. We will put a roof on top of it so that will help minimize any interruption to the building while we are still working there. Mr. Cisneros said they do have systems where you can build storm hardening roofs on top of existing roofs, pretty interesting project. He said we have a cost estimate of $1 million up to $3 million and that will probably be in the FY 2022 or FY 2023 budget depending on our rate study. We have to replace the windows because it takes a lot of time and resources to board up that building and it is well over due. Those windows are not energy efficient so we will focus on replacing the units with window impact rated units that are energy efficient. That will save a little bit on O&M cost and a little bit higher on capital cost. The estimate is between $500,000 and $750,000 so it is a big ticket item. It is good for the Board to see these because they will see it in the coming budget.

Mr. Cisneros said he would like to give special thanks to the team because they did lose a lot of sleep over this and they also did a fantastic job. He said it is good to work with a lot of these guys, Eric Winterstein, Joel Spades who has been on standby for about 3 ½ months, Steve Herdeman, Crosby Gore, Tom Fryar, and Doug Pupard. Everybody worked really well together between the ATS and UPS project, really good project and we had a lot of fun with it. It is important to recognize the contractors, we always have a really good time with Globaltech because they do a fantastic job and he thinks it is important to recognize that. Energy Efficient has been at work at several locations and several FPUA sites and they have done fantastic work. Both Globaltech and Energy Efficient were pretty good advocates for us when it came to the ATS

because we did run into some technical issues and they took good care of us. All Florida Contracting did a fantastic job of making sure they had the manufacturer of the ATS to the minimum requirement for them to provide what they said they were going to provide. In Graybar was a good experience too, they handled all of the work with the UPS and that was a really good project. It is important to recognize the team.

Mr. Matthews asked Javy to go back to the page before the summary. He said Javy was talking about generators and asked if FPUA has a system where a generator is acting up and moves on over to the next generator, suppose one generator is still good, but it is just heating up. He asked if there is a warning system with them.

Mr. Cisneros said they do shut off if there is an overheating condition. He said the generator at ESC is a big one, the second biggest one we have in the company. The largest one we have now is at the Water Reclamation Facility, but those units do have an overheating component so if they are overheating they will shut off.

Mayor Hudson said this is really interesting and thanked Javy. She asked if we are ever going to need Bobby again.

Mr. Cisneros said he is no spring chicken so he hopes not. He said when we replace the generator, hopefully it will be newer technology so some of the less seasoned professionals will become technically savvy with the newer technology.

Ms. Cavalcanti asked if he has a junior.

Mr. Cisneros said no, he actually works alone. We do have a generator maintenance guy that we work with and he also is no spring chicken and both of those guys, they know what they are doing. That was a stressful time trying to get someone that knew what they were doing with the unit, especially those older natural gas units are pretty hard to work on.

Mr. Fee said it sounds like in the future you should tell the technician to look under the unit for notes.

Mr. Cisneros said he could not believe it.

Mr. Fee said that is impressive.

Mr. Cisneros said it was two or three months of overheating and they just could not figure it out, put the wrong gasket in, put the new gasket in, and still could not get it right. He shows up and 15 minutes later, the issue is solved. It may have been one half hour.

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Mr. Tompeck said the next item is an electric reliability update through May of 2020 and Paul Jakubczak will make the presentation.

Paul Jakubczak, Director of Electric & Gas Systems, presented the Electric Reliability update for May 2020. He said this is the 12-month rolling average for the reliability of our electric system. This is the first month we started having spring and summer storms so do not be a little shocked by the numbers because we are working through that. They will roll off after 12 months or when we start having our better months. Our SAIFI numbers, which is the estimate of the number of interruptions that a customer can expect based on the data from the previous 12-month period is 1.20 interruptions. Last month we were at 1.08 so it did bump up a little bit and that has to do with afternoon thunderstorms rolling through. We are going to continue to work on ways to improve those numbers as well. As shown on the chart, this compares to the other utilities that participate in the FMPA Program and FPUA is 12th on the list and we try to get in the top 10. We are below what the large municipal average is for average service interruptions. CAIDI is the estimated amount of time if you are experiencing an outage and how quickly FPUA got to the power to restore it. As you can see, FPUA is 56.88 and has gone up about four minutes from our last month for the same reason. The CADI municipal comparison shows FPUA above what the large municipal average is and once again we are going to continue to look at some additional measure we can do to bring these numbers back down. The last number on the list is our SAIDI numbers, which is basically all the outages divided by all of our customers even if they were not affected by outages. FPUA's number if 68.22 and is above the 60-minute mark, which is what our strategic goals are so we are going to continue to strive to get these all put together. On this slide it is pretty much the same story that FPUA is below the large municipal average.

Mr. Jakubczak said the next slide is the 2019 comparison for the calendar year and all of FPUA's numbers have gone up and we will be working on correcting that. He said our strategic goals are shown on this slide in yellow and we are not too far off, but we are still above where we want to be. The one that is below shows FPUA just barely below and we want to continue to push to get these numbers as low as possible to provide our customers the best service possible.

Mr. Jakubczak said he would like to give a brief update regarding Hurricane Isaias. He said FPUA did experience a few outages over the Sunday period when it passed by quickly. The largest outage was for ten customers and lasted for about 2.5 hours as it was a blown down pole over by Holiday Inn so whoever was staying there was without power for a while. The majority of our outages were small, a lot of tree related things, blown fuses, and nothing major we had to deal with. At one point he saw 150 customers, but our crews were working through the storm because the wind speeds did not get above 35. They pretty much worked from 6 a.m. until dark to get everyone back in power. The crews did a great job and we were lucky it did not hit. Mr. Jakubczak said his daughter lives outside of Wilmington and she got hit. After looking on the website today from Duke Energy, they have over 200,000 customers out. Originally she got a report this morning that a customer of another service would be restored by noon, and then got one an hour later saying maybe 11:30 p.m. He has not talked to her since, so he is guessing

sometime tomorrow based on the amount of damage they had. We can count our blessings this did not hit, but at the end of the day make sure we are prepared and that our customers know we do care and are going to get out and repair and get them pack in power as quickly as possible.

Mr. Matthews asked if the goals this year are better than last three years.

Mr. Jakubczak said they are not, what we have seen is that our numbers have trended down up until this last report and now they are starting to trend up a little bit. He said we are going to revisit the way we do tree trimming, fusing, and those types of things. One of the things that may show a little bit of an uptick is once we get into October deployment for our AMI system, we are going to actually know the customer is out before they call in to better start doing the restoration efforts. Mr. Jakubczak said he actually did look at the AMI data dashboard that the vendor Honeywell has supplied us during the storm and he found one customer that was out. He found out that customer actually was disconnected because they had wanted their service pulled for maintenance in their building. The system is working, it is now just a matter of intergrading it with our system we have. One of the things we are going to strive for is to make sure our customers know about the outages and are aware of where they are out in the outage que to be restored.

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Mr. Tompeck said the next item is the Quarterly Financial Operating Results for May 2020 and Barbara Mika will make the presentation.

Barbara Mika, Director of Financial Services, said she will present to the May 2020 Financial Operating Results. After the adjustment for the Distribution to the City, our May YTD increase in Net Position is $1,994,000. Operating Revenues are lower than the previous year to date figures by $2.6 million and the main reason for this decrease is in General Service Sales and the PCA that has been billed. About $1 million relates to the 2019 Guaranteed Revenue Charges that were recorded in exchanges for capacity reductions. Year to date operating expenses were down $1.2 million from the prior year, mainly due to the decrease cost of our purchased power in FY 2020. Electric operating revenues, less power cost and consumption for FY 2020 has been fairly consistent for the three years in this comparison. FY 2019 has a slight 2% increase in the adjusted operating revenue along with a 2% in consumption. In the current year, the consumption remains flat from FY 2019 to FY 2020. Electric operating revenues are down 2% which brings us back in line with the 2018 levels.

Mrs. Mika said the water operating revenues and consumption are showing a consistent upward trend. She said FY 2019 revenues increased over the same period in FY 2018 as a result of increased residential and general consumption of 3%. FY 2020 increases in operating revenue of 7% was accompanied by an increase in consumption of 5%. In FY 2020, continued increases in residential and general services consumed had an added jump in bulk water sales of $650,000 YTD. In 2018 and 2019 increased levels of wastewater operating revenues were due to those

Capacity Reductions that we did not experience in FY 2020. In FY 2020 consumption was up by 3% with residential and general services sales up slightly. There was the falloff in revenues as a direct result of the GRCs experienced in the prior two years. Natural gas operating revenues less the cost of gas purchased and consumption continues to show an upward trend in both revenues and consumption. While increases are moving together the reason for the smaller increase in FY 2020 came as a result of level general services sales that were down as compared to 2019. The savings in the cost of purchased gas from 2019 was about $287,000.

Mrs. Mika said the Debt Service Coverage ratio is the ratio of the twelve-month average of net available income to our current debt service. She said for the twelve months ending May 2020 our debt service ratio is 2.71, which means that for every dollar of debt we have $2.71 available to pay that debt. Our Bond covenants require that we have a ratio of 1.25 x so we are well within a comfort zone for our debt service.

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Mr. Tompeck said Barbara will stay with us and do the status report on the Post Cost Adjustment for June 2020 for information only.

Mrs. Mika said she will be providing information about June's power cost and updated projections through June 2021. She said the power cost adjustment, or PCA, is the mechanism by which FPUA recovers power costs that are in excess of the $79.52 base power cost, which is included in the base rate. The cost of power purchased from FMPA for the month of June was billed to FPUA at the rate of $68.60 for 1,000kWh, this was a decrease of $5.23 as compared to the billing for May. In June, FPUA experienced an under-recovery of power costs from the customer of $435,142. The cumulative over-recovery as of June 30, 2020 was approximately $3 million. In the chart displayed, the bars depict the balance of the PCA over-recovery and the dark blue line represents the PCA. The PCA for June was set at negative $13.00. The blue bars represent the actual amount over-recovered while the orange bars depict what the over-recovery would be if the projections are correct. These projections have been prepared by Raftelis Financial Consultants, which in turn were based on projections prepared by Florida Municipal Power Agency. Since the May's forecast, FMPA's estimate of the cost of purchased power for the upcoming 12 months has decreased by 6.7%. Mrs. Mika said the next graph takes a look at the projection of the PCA trending through September 2021. It is looking better since last month's projection due to a decline in the anticipated costs associated with St Lucie Nuclear and ARP. While this a long-range look out to September 2021, we can see in this graph that the PCA over collection is expected to remain within the acceptable range into the second quarter of next fiscal year, as savings are passed through to our customer bills. FPUA continues to experience under-recoveries from our customers since the beginning of the fiscal year of $1.6 million. It is the recommendation of staff the PCA remain unchanged at this time as we wait and analyze updated projections on the cost of purchased power. We will continue to evaluate updated projections and report to the Board each month.

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Mr. Tompeck said the next item on the agenda is a discussion on Voluntary Tax Credit Sales proceeds. He said this issue has a long history which he could discuss for several hours. He will try to give you a more succinct synopsis of the issue. First and foremost, it is important the Board recognize the FPRA and FPUA have an agreement. The core of the agreement is that FPUA was responsible for the costs to remediate the King Plant property, and in return, the FPRA would give FPUA all proceeds from the sale of the tax credits which were in excess of the payments for loan obligations related the cleanup. FPUA has met their obligation, it cleaned up the King Plant site as agreed. The FPRA has not upheld its part of the agreement and did not pay one dollar toward the cleanup. It is also obvious the FPRA has no intention of returning any proceeds from the tax credits to FPUA as agreed. At the end of this discussion staff will request direction from the Board on how they would like to proceed to resolve the disagreement on this issue. In your packet there is background information on the history of this issue. The best overall summary is contained in the memo Mr. Tompeck wrote to the FPRA Board on October 28, 2019, which summarizes a history of the tax credits sales and provides the background on why FPUA should receive the proceeds from the last certificate. He said a couple of quick notes on that memo. The FPUA Board passed Resolution 2015-12 at the July 7, 2015 Board meeting. That resolution directed that surplus proceeds from the sale of the tax credits be repaid to FPUA to offset FPUA's costs related to the cleanup. The issue was discussed at the July 20, 2015 FPRA meeting. There was a general consensus of agreement with the FPUA resolution and the FPRA passed a motion directing staff to develop a similar resolution. That direction was not carried out by staff, but four subsequent FPRA resolutions contained wording which mirrored the FPUA resolution. Each of those FPRA resolutions required any excess funds from the tax credits should be returned to FPUA to repay its customers for the cost of the cleanup. In the simplest of terms, now that the loans have been repaid, the FPRA has decided to ignore the previous agreements and keep the proceeds from the tax credit sale. Those proceeds do not belong to the FPRA and should be returned to FPUA.

Mr. Tompeck said a quick refresher on the tax credit process is that under the Brownfield program you are eligible for tax credits up to 50% on the amount of money spent for cleanup in a calendar year to a maximum of $500,000 if $1 million or more is spent in that year. To illustrate with a quick example, in 2014 we took a $300,000 loan from the TCRPC. FPUA put in $1 million for the cleanup that year, making us eligible for $500,000 in tax credits. Without FPUA's contribution, we would have been eligible for only $150,000 in tax credits because of the $300,000 loan. To put that into perspective for the entire project, we obtained $2.6 million in tax credit certificates. Without FPUA's contribution, we would have received $850,000 in tax credits, not to mention the fact that the cleanup would still be going on. To summarize what he just said, the tax credit certificate we are talking about would not exist if not for FPUA's contribution to the project. The FPRA did not contribute toward the cleanup. Since last October when they received the last tax certificate, the FPRA has failed to acknowledge its obligation and FPUA's legitimate claim to these funds, with the exception of Mayor Hudson. Their first attempt to spend the money was in the form of a "redevelopment incentive program" which the FPRA eventually

tabled for later consideration. Last Tuesday, the FPRA committed $170,000 of the tax credit sales proceed to Audubon Development to remove subsurface structures on the Kings Landing site. This was characterized as an "investment" in the property. Staff believes the $170,000 represents FPUA customer money to aid a private developer who did not perform their proper due diligence. This is evidenced by the fact the developer performed ground penetrating radar testing after the deal was finalized. This certainly begs the question why they didn't do it before the deal was finalized.

Mr. Tompeck said he will spend two minutes off-topic to set the record straight on the discussion at the FPRA meeting last Tuesday. He said there was a lot of misinformation in that meeting. The clear message from that Board was that FPUA had not done the required cleanup during demolition of the plant and remediation of the site. The only person who knows all the details of this project is the person speaking right now. The demolition spec was developed in 2007. Jack Andrews and Mr. Tompeck worked together on that scope and agreed on removing all structures to the 4' below grade level. We agreed on going 4' below grade because we were worried about the stability of the seawall on the north side of the parcel which was eventually replaced, and going below that level would have required extensive dewatering of potentially contaminated water. We should all remember there were no plans for the property at that time. Redevelopment of the property as a hotel had not been discussed. The remediation FPUA performed met all environmental requirements and allows for redevelopment of the site for residential use. Everyone knew there were structures below 4' below grade and to say that they didn't is nonsense. FPUA fully met our commitment for the demolition and remediation of the King Plant site, and it is disingenuous to suggest otherwise.

Mr. Tompeck said he will get back to the real issue before the Board. How the FPRA may want to spend the money is irrelevant. There is an agreement between the FPRA and FPUA to return the excess funds to FPUA customers, and that is where the money belongs. The last tax certificate was received in late 2019. For those of us who have followed this issue it is obvious that the FPRA has no intention of recognizing FPUA's claim to the funds and no intention of returning the funds to our customers. There have been three meetings in which the FPRA has had the opportunity to return these funds and it has not done so. It is obvious to me the FPRA intends on using our customer's money for any discretionary item they see fit. So that brings us to a discussion on the next step to resolve the issue. Mr. Tompeck said he thinks we have two options: If the Board is okay with the FPRA spending this money, we can discontinue efforts to recover the money the FPRA is obligated to return to us, or the second step is to take the necessary steps to initiate the Conflict Resolution Procedure with the goal of recovering these funds for our customers. He has provided the Board with the Conflict Resolution Procedure we can follow to pursue the funds, which is a procedure we have used in the past. If you have any questions on it, Mr. Koblegard can answer them. That's it in a nutshell. If he thought more time was reasonable for the FPRA to do the right thing, he would recommend that. After 10 months, he doesn't see delaying our action any further is warranted. Staff feels that we owe it to our customers and have a fiscal

responsibility to pursue these funds. Accordingly, FPUA staff is recommending we initiate Conflict Resolution Procedures as identified in his July 29th memo in the Board package.

Mr. Tompeck said on a personal note: FPUA is always encouraged to help the City. In the case of the King Plant decommissioning, demolition, and cleanup, FPUA spent in excess of $8 million, including the $3.3 million for the cleanup. In addition, without being asked, we donated a parcel of land west of 2nd Street to make the property more attractive to developers. Cooperation is a two-way street. We are not asking to recoup all these funds, we're simply asking the FPRA to meet their commitments. That only seems fair. Before we open the discussion, Mr. Tompeck said he thought Mr. Koblegard might wish to say a few words.

Attorney Koblegard said he thinks John has covered it about as well as he could be on the history of it. He is totally accurate as to what he has represented. To go back to the Conflict Resolution, he knows he has been asked if it is appropriate to do that between the UA and the City FPRA. At first when he took a look at it, it did not seem right or didn't seem to fit. He thought it fit as a resolution of an issue between two separate entities like the UA and Port St. Lucie or the UA and the County Commission, not something with the City of Fort Pierce, but Jody Finklea with FMPA had a different position. Attorney Koblegard said he called and spoke to him and said Koby you know based on the Charter you have a separate Board that is appointed by the City Commission, it is separate and apart from that we are free from government of the City of Fort Pierce FPRA. They have control over bonds and control over budget, other than that we are to be left alone to make our own decisions. We have our own Board, therefore Attorney Koblegard feels because of the way the Charter reads, it is appropriate to bring this up with FPRA and he now after thinking about it further, fully agrees with Jody. John has mentioned the procedures for this Board to decide if you want to move forward to pass a resolution. We will have to serve that on the City with five days as registered mail and they have a certain amount of days to respond. The initial meeting is between the City Manager, John, the Mayor, Attorney Sweeny, and Attorney Koblegard. We would decide then if there is a the way to resolve it, should we go further, should we get a facilitator to try to help us, or do we want to just move on with it. If we cannot come to an agreement, then we would go to the next step and that means the two Boards would have to meet together and discuss it, FPRA or the City Commission and FPUA. If we do not resolve it at that level, then it has to go to mediation and we have to agree on a mediator. Attorney Koblegard said at no point in the entire process is it a mandatory point that it is resolved. He said we can go through the entire process and be right back where we are today. That does not mean it may not be a reason to do. He knows we started this process once and he thinks it was with the City when the City all of a sudden said they wanted the PCA added to the 6% and we took them to task over that and it ended up being resolved and worked out for everyone. There was one other time when it involved Port St. Lucie when Walmart was putting in their new distribution center and they tried to claim that as their territory. We initiated the process, they were not getting anywhere so then we went back and he thinks it takes ¾ majority to do away with the process and go to court and that is what we did and we won that. That is just an example of the only two

times he is aware of this being used before. It is certainly appropriate if the Board sees fit to do that.

Mr. Matthews said he spoke twice on this issue as a citizen and two things caught his attention and after reading the minutes the other day and the second thing again caught his attention is he suggested exactly what Attorney Koblegard suggested that the City Attorney and the UA Attorney, City Manager, and the UA Director get together before they make any decisions. Also in the minutes shows even though this was done before he came on the Board, but as a citizen he has been researching it. Mr. Matthews said Attorney Becht served as a Commissioner who also is an attorney and happens to say whenever this tax credit comes back, it belongs to the UA. He does not know what made Mr. Becht at that point where he was doing the fair play situation. If you keep reading the minutes of any of the minutes of the FPRA, you will see it was not told truthfully for the record. You can just see from commonsense some things just were not told to the elected body and that bothers Mr. Matthews to this point that we are not in this squabble, but from the standpoint of having banking experience in his life that he has spoken about, anytime you go into a business deal like that you automatically go back. He says if the UA gets the money back, any portion of the money, then let the UA decide if they want to give it as a gift, but to manhandle and take charge, he does not think it is fair and he is not even prepared to support anything but right.

Attorney Koblegard said in response to what Mr. Matthews mentioned, you can also see that at the meeting where Mr. Becht spoke up, a motion was made and passed to give FPUA their money back. He said that motion was passed and they directed staff to follow through on it and staff did not do that. He does not know if at the next meeting it came up again or if it was changed in some fashion, but according to that meeting, there is a motion on the floor that was passed that said we get those funds. He does know how that is moving on like he said maybe the second meeting something came up at that point, but he is not aware that that motion was ever modified or rescinded for whatever benefit that may be, he does not know.

Mayor Hudson said she was at the meeting last night so she just wanted to clarify that Mr. Tompeck said that the FPRA or that we said that FPUA did not do its job and there were a couple of commissioners that said that, but that was not the whole City Commission that said that. It was a couple of commissioners who were kind of talking about that and so obviously she has been at all of the FPRA meetings where it has been discussed. Mayor Hudson said she believes that Mr. Tompeck is right, there is no interest on the part of the FPRA to give the money back and there are valid points that probably could be responded to with Mr. Tompeck that she will not go into here because she cannot keep them all straight herself. She is wondering first of all, she thinks we are in the middle of a pandemic and she does not personally want to have a war with the City and in the middle of a pandemic. Because then we will just kick Sebastian off the front page and it will be Fort Pierce on the front page. She thinks we have more important things to think about. She is concerned about worrying about this at this particular juncture, personally and does not know why we cannot have that kind of meeting without starting something under

a state statute. Why can't we have that meeting without starting the dispute resolution, can we have the meeting without starting the dispute, we can have the meeting.

Ms. Cavalcanti said an informal meeting, the same meeting, same people, rather than starting the conflict resolution.

Attorney Koblegard said you are not talking about the Board meetings.

Mayor Hudson said with the two attorneys, two directors, and her or whoever and asked why can't we do that.

Attorney Koblegard said you can meet any time you want. He said one thing he would point out is that if you are concerned about the virus and having both Boards at one time now, the two agencies can agree on extensions.

Mayor Hudson said right.

Attorney Koblegard said it can be moved far in the future if it's appropriate to do that. He said you can go ahead and initiate it now, but change the timeframe, if both sides agree.

Mayor Hudson said if both sides agree and she does not know because she cannot speak for anybody else on her Commission or FPRA, except for herself. She feels that there is a pretty strong feeling that the money that was spent the other night was to clean up the same property that was supposed to be cleaned up. Although technically it was not the same type of clean-up, she thinks everybody felt comfortable in spending that money. She does not know and is worried about doing this in a pandemic and about starting something that in the end we may win the battle, but not the war. She just thinks we need to think that through. From the City's standpoint they believe we are all one organization and so they do not believe we are two separate organizations. She does not believe our City Attorney believes this statute is applicable because she talked to him briefly today, and will not quote him, but he led her to believe this is the most unique relationship between the FPUA and the City of Fort Pierce. FPUA is a creature of the City of Fort Pierce so that it is not appropriate, but she will let him speak for himself.

Mr. Fee asked Mr. Koblegard if there is an agreement between the UA and FPRA that requires any excess of these proceeds from tax certificates be paid back to the UA?

Attorney Koblegard said there is not. He said when they passed the last resolution, they changed the one we had passed for three or four years before that. There is no written agreement they have to honor that, no there is not.

Mr. Fee said we are relying on an original resolution that said we're going to pay it and now FPRA has changed their mind.

Attorney Koblegard at the tail end, once it got to the point that all of the debts were paid back, there was money that could come back to us to go to the ratepayers and reimburse FPUA for the $3.3 million to $8 million FPUA spent with ratepayer money. He supposes mostly, they said no we are going to keep it.

Mr. Fee said another question, maybe madam mayor can answer this. He said the FPRA, how much money did they contribute to the clean-up?

Ms. Cavalcanti said none.

Mayor Hudson said they did contribute some, but the accounting has been made and she does not know that, but she can get the figure.

Mr. Fee asked if the Mayor knew know how much the city contributed to the clean-up or did they?

Mr. Bey said it was the same thing.

Mayor Hudson said it is the same board, the same people and she thinks finance has all those figures, it's nothing compared to what FPUA contributed.

Mr. Fee asked Mr. Tompeck if he knew.

Mr. Tompeck said some of the minor administrative costs associated with managing Cardno, those were the costs.

Mayor Hudson said mostly staffing and the City handled the loans, didn't we handle the loans?

Mr. Tompeck said FPUA put the collateral up for the loans and there was some administrative. He said he thinks if you put all of that together, it's significantly less than $100,000.

Mr. Fee asked if the city was reimbursed for its costs?

Attorney Koblegard said he thinks they were, but don't hold him to that. He believes FPUA reimbursed them for that but he is not sure. FPUA reimbursed the city attorney for some figure maybe for his time, but he does not know if it covered everything or not.

Mr. Fee said it sounds like to him we put up the collateral and the financial balance sheet, so that the City or the FPRA could get the loans. He said they got the loans, sold the certificates, and paid off the loans, correct?

Mayor Hudson said yes.

Mr. Fee said reimbursed yourself for your costs.

Mayor Hudson said as far as she knows, yeah.

Mr. Fee said he kind of sees now and is getting kind of the picture. He said he watched the meeting back in 2015 and saw the resolution where Mr. Becht expressed his sentiments, and believes you agreed with it. He said now we have a new board essentially, who definitely doesn't see eye to eye, they think we're all one entity and they should have the money. Personally, he guesses the clean-up was agreed to many years ago and now we have this great opportunity for the City of Fort Pierce to advance itself again and there is a need for money to get that accomplished. Mr. Fee said he is not opposed to the money being used to further the clean-up, but he is opposed to the FPRA who already reimbursed itself its costs to keep the rest of the money to do at its will. He thinks there is a little bit of inequity on that part and thinks the money needs to come back to the FPUA. He is sure we could find some way to maybe use that money in the future, but right now with the pandemic, people are almost on the cutoff list to use that money for development when it may be able to be use over here to help defray costs. This is something this board needs to think about getting the money back to here. It's been ten months and asked if there is another method we can use to get everybody in the room to get it done, maybe. At some point in time, there is going to need to be a formal process because it sounds like the new dynamic of the new board isn't moving in the right direction or at least doesn't want to move in the right direction.

Mayor Hudson said she would like to clarify and maybe Mr. Koblegard can help her, the clean-up, the City couldn't do the clean-up legally, somebody else had to do it.

Attorney Koblegard said the city was considered a wrong-doer and that is why we switched it to the FPRA.

Mayor Hudson said the action was to spend $170,000 and restrict the other.

Mr. Fee said again, where does the FPRA get the entitlement to restrict it. He said it sounds like to him the Inter-Local Agreement was signed, if you have a surplus in the tax certificates. At the same time, it sounds like the FPRA did not contribute as much as the FPUA did and that is where there is inequity here and the balances need to be at least reallocated. He is hopeful we can find a method to get this accomplished, but it does sound like a formal process outlined by statute seems to be probably the best way to go, if we can't encourage a resolution sooner without having to do it.

Mr. Bey said he happened to be on the Board at that time and remembers everything. He said sometimes he does not remember what he ate for breakfast, but remembers what happened at

that meeting. Because he is old and since he does not remember what he had for breakfast occasionally, he went back and watched the meeting that took place during that time. When Mr. Becht suggested the money come back to us, there was like an informal agreement that the money would come back to us. What he also did is watched the FPRA meeting when they first started talking about using this money for some other purpose. One of the things that stood out to him, it was like the bully thing, it's like you know, we're going to take this money and do what we want with it instead of doing the right thing. Even though FPUA and the City have this unique relationship, we are still two separate entities. To him that is a weak argument to say oh, well, we think we are one entity so therefore we're going to take your money and do what we want with it. Mr. Bey said he thinks it's wrong and he has talked to John numerous times about this. He thinks the fact that John is recommending we take legal action on this, means the chance of us negotiating with those guys is probably not going to happen. He said what really saddens him is he has been on this Board for almost eight years and has constantly had to hear the City, the FPRA say oh the FPUA they're bad guys, we don't play well in the sand box, we have just tons of money just sitting around that we do whatever we want to with and that sort of thing. Then when he thinks about how we have tried to help the City, we tried to help rebuild the City, we've done all of these things and then they say forget you all, we're just going to take your money and do what we want, no that is wrong. Mr. Bey said he will not support that and thinks we need to take legal action because he does not trust that they're going to change their mind all of a sudden and say well, we'll just give you your money back, that is not going to happen. He supports John's recommendation that we take this action with the conflict resolution, we should do that. We are going to have to hold their hand to the fire because he does not see them changing. He just does not see it happening.

Ms. Cavalcanti asked if that is a motion?

Mr. Bey said yes.

Mr. Matthews said for discussion he seconds it.

Ms. Cavalcanti said okay, we are open for discussion again.

Attorney Koblegard said this has to be by resolution.

Ms. Cavalcanti said okay.

Mr. Matthews said he is trying to put it in common sense. He said first of all, if fairness would start existing, we would have had two things, first one we would have had all of the players who should have been involved before it hit to be an agenda item. We should have had the Director, the engineer or the consultant, and the attorney, that didn't happen. The second situation that stung him and put the money $270,000 in restriction, from a standpoint of a buddy on the street, if you borrowed $50 from me, and you don't have but $25, give me my $25, but in this case they

took the whole $400,000 then restricted the other $270,000. To him they should have said let's send the UA back that portion, but that didn't happen. The third concern is he gave a suggestion when he went to the microphone, as a citizen, for the two heads of administration, the Director and the City Manager and the two attorneys, UA attorney and City attorney, to have a meeting. This is basically what the man is talking about now. Back then, before it was ever anything to this level, he as a citizen just made that suggestion. If it looked like we are going to be fair, we will start being fair from the City Manager's office or City Attorney or whatever. Mr. Matthews said he is shocked and appalled that the City Attorney wasn't brought into this situation before it got to be a vote by the FPRA Board. He said he is prepared to vote.

Mr. Bey said for discussion, think about it guys, it's a reason the founding fathers said we need to have an FPUA over here and a City over there because if the City and the FPUA would have been one and the same, we would be in big trouble. He said we need to hold the FPRA and the City to the fire, he is done.

Attorney Koblegard said to remember the UA used to be run by the City and they decided they didn't want to do that is why we were sped off.

Mrs. Mazzarella said she needs to know what the motion is.

Ms. Cavalcanti said she guesses Koby is saying it's got to be a resolution.

Attorney Koblegard said if you're adopting 164, it's got to be by a resolution. He said if you want to make a motion that a group get together and discuss it, that is outside of 164.

Ms. Cavalcanti said okay

Mr. Bey said if the resolution is what John is suggesting, then he makes a motion that we accept John's recommendation on how we're going to handle this.

Attorney Koblegard said and adopt section 164 and the Conflict Dispute Resolution.

<u>Mr. Bey made a motion to accept John's recommendation on how to handle the Voluntary Cleanup Tax Credits Sales proceeds and Adopt Section 164 and the Conflict Dispute Resolution, Mr. Matthews seconded the motion for discussion.</u>

Mayor Hudson asked if the next meeting, the resolution would come to the board?

Mr. Tompeck said the resolution would come at the next meeting for the Board to approve.

Mayor Hudson asked if she could have the floor for a second and said she thinks this is a very serious step that will be seen as a very serious step. She said she understand how you feel, Darryl.

She said she was the one who insisted that John put this on the agenda today because this has been going along and he has been writing to the FPRA Board and saying this is the Board's position and our position is this. She was concerned this Board was not fully informed and hadn't had this kind of discussion that we're having right now. She wanted to have this discussion and wanted everybody on this Board to know that, what has taken place and you know, you've kind of heard one side, there is always another side and there is going to be another side when there is a meeting. That is just the way it is and so the city is going to take this as a very serious step. They are going to take it as a legal challenge and she is just putting that out there so we all recognize what we're doing if we start this.

Mr. Matthews said he has got one that will probably satisfy the Mayor. He said the Mayor, the City Manager, City Attorney, UA director, and the UA attorney can get together before this resolution comes back to us and we might not need to go any further.

Ms. Cavalcanti said that is a good point.

Mayor Hudson said that is a very good point.

Mr. Tompeck said that is part of the process and he thinks it is in our best interest to start the process and recognize, that he thinks this is important, that the intent of the legislation under Chapter 164 for the conflicts, they want to get the conflicts resolved to the greatest extent possible without litigation. The idea here is let get the process going, then we can get the players together, and they'll have a little more sense of urgency because they'll know we're serious about it. If we just have another meeting, we are not serious about it. Mr. Tompeck said he understands what you're saying about the COVID-19 and how this may not look good, but weigh that against what the FPRA did last week. They gave a developer $170,000.

Mayor Hudson said John, I think you ought not to go down that road that can come out later on. She thinks John is way too personally involved in this and you have a personal and strong opinion. She does not think the FPRA looks at it that way and she would not go down that road.

Mr. Fee said he has a couple of comments and questions. He said the Mayor mentioned there is two sides of the story and there is always two sides of the story. He asked what is the FPRA's genuine side of the story here? Why the sudden change of attitude towards releasing the funds?

Mayor Hudson said she thinks it is because the funds are there.

Mr. Fee said they finally got a windfall.

Mayor Hudson said if you want my honest opinion, she is not sure that anybody ever thought there was going to be leftover funds and this is just her speculation. She does not know this for a fact.

Mr. Bey said we knew there was going to be money.

Mr. Fee said his next question, and this is kind of more for Mr. Koblegard, naturally we were created by Charter, the FPUA is and we can sue and be sued. He said he is not sure whether we have standing to sue another entity essentially within the same umbrella in a way. That has him scratching his head because then the City or the FPRA could say yeah, you can start the Conflict Resolution, we're not going to do anything because there is no remedy in the courts whatsoever.

Attorney Koblegard said he agrees with Mr. Fee and has always said, not counting this, just any issue, the last thing we want to do is have a lawsuit involving the City and the Utility Authority because think of how bad that would look. Here we are spending both entities' money to fight about something in court and it's just he does not think is the right way to do business. This is just his own personal opinion. You can go through the process and try to resolve it, but you don't take the next step of going to court and he does not know if you actually legally we could do that. Because we are part of the City in one way, but he doesn't think it goes, we're separate from the City in one way, but he does not think we're separate in the respect to we can sue the City of Fort Pierce.

Mr. Fee said his next question, the resolution that was passed when they agreed to turn over the funds back in 2015, how many more advances did the UA make after that point towards clean-up?

Mr. Tompeck said he would have to go back to look and get the exact number, but remember after that there were essentially four resolutions which took care of the other tax credits.

Mr. Fee said naturally the UA looked at it and said that is incentive for us to continue.

Mr. Tompeck said not only that, the last one of those resolutions actually finished paying off the loans and the FPRA did return a portion of that money to us. He said so they recognized that was an obligation.

Mr. Fee said now the story starts to change a little bit because it's one thing to say they don't have any contractual obligation to turn over funds, but once they pass a resolution and perform, that to me is they have stopped from saying that is fair.

Mr. Tompeck said the difference here is it is a fine difference. He said there wasn't a resolution passed for the last tax certificate. The other ones it was all passed and the last resolution did have leftover. This tax certificate there was no obligation of the loans, it was already gone, so they didn't pass that resolution to return the money to us. It is certainly at the very worst, they didn't follow the spirit of what was decided in 2015 at the very worst.

Mr. Bey said he wants to make one thing clear, he thinks it would be embarrassing to have us fighting against the City with a lawsuit if we could. He said if he thought that we could negotiate this thing and we wouldn't have to go there, he would be 100 percent for that. He does not want it to come off like he is ready to fight. Before he is ready to fight, he is ready to try to negotiate, but he thinks of all the time of all of the attempts that we've made at trying to reason with the FPRA, they haven't done it which is showing him that they don't have any intentions of doing it.

Attorney Koblegard said to let him say one thing, it may very well be that during these discussions some issues will come up relating to the King Plant that might make the City weigh more amenable to leave the funds alone that is for later discussion.

Mr. Fee said he is ready for a vote.

Ms. Cavalcanti said she thinks the Mayor had some comments she want to make.

Mayor Hudson said what her memory is that each time there was a separate resolution and they said if there is any money left over and it applied to that particular application. She said there was never a global one, but all of this can come out in the discussion later on.

Mr. Fee said it sounded to him there was a pattern of course of dealings that all of a sudden changed and that is what has got him kind of hemming and hawing a little bit.

Mr. Bey said there were some projections that at the end of this thing when all was said and done that there would be money left over. He said he clearly remembers that. Here is something that he doesn't remember, he doesn't remember the dollar amount, but there were projections that there would be money. His question to the director at the time was well, it seems like we'll make some money on this deal in terms that there will be money left over and he said yes, because of the projections.

Mayor Hudson said she doesn't remember it.

Ms. Cavalcanti asked Barbara Mika if she can you answer any of that?

Mrs. Mika said not to specific dollar amounts, but she knows that we were tracking the loan, we were tracking all of the payments to the FPRA that they in turn billed us, and we paid Cardno, and the tax credits are being applied for. Yes, we did anticipate that there would be money left over. We have schedules somewhere that we were tracking on for sure.

Ms. Cavalcanti asked if Mrs. Mika could you get the Board that schedule perhaps?

Mrs. Mika said she is sure she still has it.

Ms. Cavalcanti said she just thinks it would be good for us, even though we may vote on this today, we may reconsider before the next meeting.

Mayor Hudson said it's nice to have all of the facts and right now we have some facts and some conjecture and some memories, but we don't have all of the facts.

Ms. Cavalcanti said an accounting schedule is always the best to show us how much we paid, how much we've been reimbursed and what is left.

Mrs. Mika said we definitely charged it to schedules.

Mr. Matthews said he is prepared to vote, but also that is two common suggestions, one with finance to bring us any paperwork or any facts that they got in figures. Number two, the Mayor, the City Manager, and the City Attorney, along with the UA Attorney, along with the Utility Executive Director work on a schedule to meet somewhere before all of this comes in. He thinks the resolution ought to continue.

Mr. Fee said just so he understands, today we're going to vote to start the process, then we're going to have a resolution at another meeting, and we'll vote to approve that resolution, correct? He said so if there is any new information, especially dealing with schedules, it would definitely be appreciated if we can get that circulated.

Mayor Hudson said it sounds like the vote today is to start the process.

Mr. Fee said it is to start the process, but we have to pass a resolution on another date.

Mayor Hudson said so that is directing staff to prepare the resolution.

Mr. Fee said then we have to pass the resolution and that will put us in the system, as you say.

Ms. Cavalcanti said we may, after getting all of the facts and figures before the next meeting, we may decide we don't want the resolution at all.

Mr. Fee said maybe that will give some time for staff to get together with the City and something can get worked out.

Ms. Cavalcanti said so we are now ready to vote and asked if Mrs. Mazzarella knows the motion because she does not remember.

Mrs. Mazzarella said yes she has written down everything that was said.

Those voting yes for the motion were Mr. Bey, Mr. Fee, Mr. Matthews, and Ms. Cavalcanti; Mayor Hudson voted no and the motion was approved.

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Mr. Tompeck said the City Commission unanimously approved the 2021 Budget and the amended 2020 budget last night. He thanked Barbara Mika for her very effective presentation at the City Commission meeting.

Mr. Tompeck said that on July 22nd and 23rd, Bo Hutchinson and John met with the City Commissioners individually to go over the details of the Raftelis Report for the WRF relocation. He said this Board heard that presentation a few weeks before that. This was in preparation for the joint FPUA/City Commission/County Commission meeting scheduled for August 13th, that meeting has been postponed. The discussion was that the meeting is really a "mini" strategic planning session that we think is best suited as an in-person meeting. It will be rescheduled when we can find a facility large enough and willing to takes us to hold the meeting and meet COVID-19 protocols.

Mr. Tompeck said the last item is that due to the recent decline in interest rates in response to COVID-19, interest rates are near historical lows. He said FPUA has a refunding opportunity for its Series 2009 Bonds, with a net present value savings of approximately $5 million and annual savings of approximately $670,000. We are evaluating this opportunity and will be back to the Board with more information shortly. The refunding opportunity is fairly straightforward with the only thing he is struggling with a little bit is this might be the time to factor in some of the customer expansion and the AMI projects at the same time. We know that eventually we are going to have to finance them so we are going to take a look at that to see how we can fit it into the refinancing.

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Mr. Bey said he has been noticing a pattern the last several months that we've been getting a good amount of commendation letters from our customers. He said he is really happy to see that so he wants to thank all of our employees and staff for doing a good job and trying to put our best foot forward. Mr. Bey said he really appreciates that, thank you.

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Mr. Matthews said he guesses Mr. Bey must have read my side note. He is thinking further with that and when the commendation letters come in for the staff, maybe that might be a good opportunity for them to come forward and let us see who they are.

Ms. Cavalcanti said that is a good idea.

Mr. Matthews said starting in January or something like that at least give them a chance to come and mingle with the Board for a minute and leave and go back if they have to.

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Ms. Cavalcanti said she has one comment and wants to thank the people from the Water Department, there was a water main break on Saturday just as the hurricane was coming and it lasted through Sunday. She said they were out there over on Benny Drive and Granada and Fernandina working like crazy so we would have water on the island right at that point it was expected to be a hurricane coming towards us. Ms. Cavalcanti said she thought that was above and beyond and thanked them.

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There being no further business, the meeting was adjourned.

ATTEST:

SECRETARY

CHAIRMAN