MINUTES OF A REGULAR MEETING OF THE FORT PIERCE UTILITIES AUTHORITY, TUESDAY, SEPTEMBER 20, 2016 4:00 P.M., CITY COMMISSION CHAMBERS.

Members Present: Chairman Michael A. Perri, Jr.; Vice Chairman Glynda Cavalcanti; Secretary Daniel M. Delulio; Deputy Secretary Darryl Thomas-Bey; and Mayor Linda Hudson.

Others present: Clayton W. Lindstrom, Director of Utilities; Amy Shevlin, Acting FPUA Attorney; Barbara Mika, Acting Director of Financial Services; Paul Jakubczak, Director of Electric & Gas Systems; Valerie A. Schulte, Acting Director of Water/Wastewater Systems; Evelyn I. Walker, Director of Shared Services; and Jason Hoffman, Customer Solutions Manager.

The meeting was called to order by Chairman Perri.

Opening Prayer by Jason Mittler of Electric & Gas Engineering.

The Pledge of Allegiance was recited.

The roll was called and a quorum declared.

Mr. Perri asked to set the agenda.

Mr. Lindstrom said on Consent Item 2 there is a scripters error and asked it be revised to be approved for the amount not to exceed $45,000 annually, which is the total of the two contracts.

Mr. Perri asked to pull Consent Item 3 to be discussed.

A motion was made by Ms. Cavalcanti, seconded by Mayor Hudson, and unanimously carried to approve the set agenda with the revisions as stated.

A motion was made by Mayor Hudson and seconded by Ms. Cavalcanti to approve the September 6, 2016 minutes. Those voting for approval were Ms. Cavalcanti, Mr. Delulio, Mayor Hudson, and Mr. Perri. Mr. Bey abstained as he did not attend the meeting.

A motion was made by Mayor Hudson, seconded by Ms. Cavalcanti, and unanimously carried to approve the Consent Agenda items with the revision to Item 2 and the removal of Item 3 for discussion.

1. POA 13-79: Approve the purchase of two servers in the amount of $28,170.81, from Dell Computer Marketing Limited Partnership of Round Rock, Texas, through Florida State Contract 43211500-WSCA-15-ACS.

2. POA 16-60: Approve Contracts with Public Resources Management Group, Inc. (PRMG), of Maitland, Florida, in an amount not to exceed $45,000 annually, for general utility and rate consulting services. The initial term of these Contracts will be from July 1, 2016 to June 30, 2017, with four one-year renewal options, contingent on receiving the required Certificate(s) of Insurance.

4. POA 17-15: Approve piggybacking the City of Fort Pierce Request for Proposals No. 2016-028 and the Engagement Letter with DiBartolomeo, McBee, Hartley, & Barnes, P.A., of Fort Pierce, Florida, to provide professional auditing services. The services will be for the years ended September 30, 2016 through 2018, in amounts not to exceed $44,100, $45,360, and $46,620, for the years respectively, contingent on receiving required Certificate(s) of Insurance.

5. POA 6070: Approve extension of Contract with Mastec North America, Inc., of Coral Gables, Florida, for installation of water/wastewater facilities, in an amount not to exceed $160,000, for the period from October 1, 2016 to October 31, 2016.

Mr. Perri said he has some questions on Consent Item #3. He said it seems like this has been an on-going problem and is wondering why if we needed another employee, why it was not brought to the Board the first time around.

Mr. Lindstrom requested Eve Walker, Director of Shared Services, to address the item.

Mrs. Walker asked if the question is why it was not brought to the Board the first time.

Mr. Perri asked if we are getting another employee.

Mrs. Walker said we are getting another hire that came to us through TalentLinc. She said the interview took place on August 31. The Board agenda item was due to go into the packet on August 31 at noon and the interview took place at 1 p.m. that same day. The offer did not go out until almost 2 p.m. the following day and the acceptance of the offer did not occur until Friday at 8:30 a.m. and that is why it was not in the last Board packet.

Mr. Perri said it is hard for him to understand why we have to hire a head hunter for this type of position and asked if that is normal in the industry.

Mrs. Walker said she does not know in the industry, but for FPUA and for IT positions we have used placement agencies in the past so it is not the first time. She said the positon being filled we are asking for tonight is for a position that has been opened for two years. It was only filled for 1.5 years when an existing Programmer I was promoted to Programmer II. He was there for 1.5 years and then left. Overall the position was open for 22 months.

Mr. Perri said it almost seems as we do not need the position if it was open that long.

Mrs. Walker said that is part of the reason we asked for the consulting services to help with the SharePoint because we have not had somebody to fill these positions.

Mr. Perri asked if we paid somebody in that SharePoint position that did not show up or left way back when. He said it seems like we have been having problems with that department for quite some time, since he has been on the Board.

Mrs. Walker said difficulty filling positions, but she does not know about other problems.

Mr. Perri asked how many applications FPUA actually has for that position over the two years. He asked if it was a bunch of them.

Mrs. Walker said no it has not been that many. She said maybe around 24 or a little bit more than that and she would have to get him the exact count, but there has not been that many applicants.

Mr. Perri asked if we are advertising in a trade magazine.

Mrs. Walker said they are advertising everywhere they can.

Mr. Perri asked if they have gone to the State College.

Mrs. Walker said they certainly have. She said FIT, IRSC, and FSU.

Mr. Perri said it seems like they are graduating people all the time that would want a job.

Mrs. Walker said that is true of the two other Programmers FPUA has they had not been out of college very long before FPUA got them. She said FPUA initially made an offer to a young lady not too long ago who accepted the offer and then turned around and took a job with somebody else.

Mayor Hudson said the amount paid is if the person stays here a certain amount of time.

Mrs. Walker said that is correct.

Ms. Cavalcanti asked what that length of time is.

Mrs. Walker said she does not have that and is not sure if it is in there.

Mr. Perri said if they leave within 30 days FPUA gets a credit.

Mrs. Walker said there is a 75% credit 31-60 days and 50% credit for 61-90 days is what the agreement states.

Mr. Perri asked if they leave within 30 days, does FPUA get the full credit back or replace the candidate at no cost.

Mrs. Walker said they replace the candidate at no cost to FPUA.

A motion was made by Mayor Hudson and seconded by Mr. Delulio to approve POA 16-61: Additional funding with TalentLinc, Inc. of Palm City, Florida, as a single source, for a direct placement to fill the Programmer Analyst II position in the Information Technology Services (ITS) department in an amount not to exceed $10,712. Those voting for approval were Mr. Bey, Ms. Cavalcanti, Mr. Delulio, and Mayor Hudson. Mr. Perri voted not to approve.

A letter was received from Jeff Egelston, Ed.D., Executive Director of The Arc thanking FPUA employees for the donation of 70 pounds of food for their organization.

Mr. Lindstrom said Eric Winterstein and Libby Woodruff are going to give an update on the WEOP program. He said there are some bill comparisons on a handout in front of each Board Member of residence FPUA has helped in the past.

Eric Winterstein, Facilities Superintendent, and Libby Woodruff, City of Fort Pierce Urban Redevelopment Manager presented the Weatherization Educational Outreach Program (WEOP) update for FY 2016. Mr. Winterstein said the last time he presented this he talked about a collaborative effort with the city. He is going to summarize the program and Ms. Woodruff will talk about the things her department takes care of. A customer picks up application at FPUA Customer Service Lobby, City Hall, or online. Once the application is filled out it goes to Ms. Woodruff's office for income verification. She looks at the application to see if they qualify to get into the program. We use the Indiantown Non Profit Housing application because it is very comprehensive and it gives Mr. Winterstein a good feel for the home before he gets there. Ms. Woodruff said they go by US Department of Housing and Urban Development income limits. For very low income for the Fort Pierce area. Part of the qualification is the resident must have 100%, homestead on the property. For one person it is $19,750/year, for two people $22,550, for three people $25,350, for four people $28,150, and so forth. It goes as high as $37,200.00 for 8 people and it is amazing how many people qualify for this program that come through. Ms. Woodruff said once the City receives the application, the income is verified to make sure they qualify. In addition to the weatherization program, the City also offers some other assistance. The City partners with World Changers, Mustard Seed Ministries, Habitat for Humanity, and the Salvation Army, which can sometimes provide other resources for things the weatherization does not include. There is also the "Paint our Town" that paints houses all over town using the resources of the non-profit organizations. The City buys the paint and paint supplies.

Mr. Winterstein said an appointment is made with the owner and he goes out there and does a weatherization survey of the building envelope and anything that could affect the water and electric consumption. He said it is a pretty comprehensive survey, he goes over the utility bill, show them how to use the leak detector on the water meter, and makes sure they are using the recycling bins and black garbage cans for yard waste. He explains the City's charge for the garbage on the utility bill and part of the recycling and yard waste is to try and keep that charge the same. The tipping fees were explained. As Mr. Winterstein goes through the survey he talks to the customer about dryer lint screens, leaving the a/c on 78 degrees when leaving for four hours. A lot of customers leave their a/c on 75 degrees when they are not home because they think if they turn it up it will never get back down to 75 degrees. He looks up in their attic to see if they can put some blown fiber glass insulation up to an R-38 value, which is a little over 12 inches of insulation. Broken window panes are replaced and new exterior doors are replaced. Most of the exterior doors have some kind of gap in it, which cannot be weather-stripped because it has been banging around for so long. The hardware on the doors is replaced so everything is keyed alike. The exterior lights are checked to be sure they work and any electrical outlets that look dangerous due to shorts or other issues are replaced. If there is an issue, he can call an electrician. If there is gas or a plumbing problem, it is taken care of also. At the end of the survey, Mr. Winterstein handwrites out the list of everything that is going to be done. The customer knows it is a partnership and they have a copy of the list of work to be done. He explains to the homeowner how the scheduling will work and let them know we will have a relationship for the next month and a half or for the amount of time it takes from the date of the survey until the completion of the work. When the work is completed, we have the customer sign a release stating that we did no harm to their property. While the sign off occurs, it is notarized and witnessed, Mr. Winterstein installs the low flow shower head, sink aerators and gives the customer six LED light bulbs, depending upon the age and condition. In 2014 they spent $27,364, the City contributed $13,331 and FPUA contributed $14,033 and eight homes were completed. In 2015, 17 homes were completed and FPUA spent $49,552.34 and in 2016 there was a City and FPUA contributions.

Ms. Woodruff said it is a privilege for the City to partner with FPUA on this program. She receives so many calls from the citizens needing assistance because they cannot afford to weatherize their homes. This little bit of assistance is making a big difference. The City Commission at their April 18th meeting, funded an additional $35,000.00 for this year to the weatherization program. The City just completed its 5-year consolidated plan and in it they allocated funding $20,000/year for five years. The $35,000 became available May 3, 2016 and the additional $20,000 that will be contributed each year will become available on October 1 each year.

Mr. Winterstein said any of the money that is not used as of September 30 2016 will carry over to fiscal 2017. He said they have spent $61,483.25 combined with the City and FPUA, as of September 9. Three building permits were picked up over the last couple of days, 14 are on his desk, and five have just qualified. Probably what happened is the utility bills were getting higher and everyone decided this was the thing to do. Mr. Winterstein said they come to the City for

other things because he has walked in to people's homes and they ask if he is there to fix the roof or put in new cabinets. I anticipate each partner will have spent around $35,000.00 by September 30. The slide displayed shows some of the doors that have been replaced. In 2014, $15,481.90, was spent on door related items such as the door, door installation, locksets, and City of Ft. Pierce Building permits or 56% of the funds. In 2015, $34,258.44 was spent on door related items, out of total expenditures of $49,552.34 or 69%. In 2016, which is ending a week from Friday at this time between the City's contribution and FPUA's we have spent $45,360.79 or 73% out of total expenditures of $61,483.25. Mr. Winterstein said for replacement of windows or broken panes, in 2014, $609.18 was spent or less than 4% of $27,364.00. In 2015, $1,638.98 was spent or less than 4% of $45,360.79. In 2016, combined total of City of Ft. Pierce and FPUA is $1,635.59 or less than 3% of the total $61,483.25. Insulation and the doors do the most good with no maintenance required. For insulation in 2014, $8,388.00 was spent or 30% $27,364.00, in 2015 $7,808.00 was spent or 17% of $45,360.79, and in 2016 $8,699.00 or 14% of $61,483.25 as of September 9. For the HVAC they check the filter and coils, and the picture displayed shows the unit hasn't been maintained properly. There are customers that think the HVAC system that came with the house should last the lifetime of the house. Mr. Winterstein said they try to make a decision based on what is busted and the return on the investment because the money could maybe be spent better in other places. HVAC costs for 2014 was $1,920.93 or roughly 13% of $27,364.00, 2015 $4,874.51 or around 10% of $49,552.34, and 2016 combined $4,507.00 about 7% of $61,483.25. We pay an a/c company about $85 to go check the system and cleaning coils is about $485. The electrician checks the exterior lights, outlets that have shorted, and installs electric water heater timers. In 2014, we spent $934.48 or less than 7%, in 2015 $872.41 or less than 2% was spent, and in 2016 as of September 9, $1,280.87 was spent, less than 2%. Mr. Winterstein said when we go in and fix the doors, we put peep holes in for safety. He said we try to provide for perimeter lighting so when they look out the peep hole they can see. The additional benefits of WEOP is security of new doors and locks, electrical safety issues, ensure all exterior lights are working as a crime deterrent, better understanding of utility bill and usage, customer can get additional assistance from Indiantown Non-Profit. St. Lucie County uses FPUA's WEOP for its Florida Green Building Coalition Recertification as a Gold County. Mr. Winterstein read a letter that St. Lucie County uses for promotion. He said the handout for consumption analysis shows 24 months of how the customer has been able to get a savings from the WEOP. He said it is a better quality of life for our customers by getting an a/c that is working. Driving around the neighborhoods where they have weatherized a home, sometimes Mr. Winterstein will notice more vehicles parked at the home.

Mayor Hudson asked if the homes are located all over the City that use the WEOP.

Mr. Winterstein said the City's money is going to FPUA customers in the City limits and FPUA money is used for customers outside and inside the city limits. He said they are located from Edwards Road, north of Angle Road and all the way out to Juanita Avenue. There was one that was done on 2nd Street.

Mayor Hudson asked if the preponderance is in the north side or is it scattered.

Mr. Winterstein said that about 75% of his time is spent on the north side.

Mayor Hudson said the security benefits with the lighting that is provided is as valuable as the weatherization as well as the locks on the doors. She asked if the customers are appreciative.

Mr. Winterstein said people write nice feedback letters, but mostly are checking the boxes on the survey. He said he understands when talking to them that they appreciate it.

Mayor Hudson said when dealing with them, there is an appreciation. She said also they are being educated.

Mr. Winterstein has a list of little old ladies that call him if their hose bib is running.

Mayor Hudson said she appreciates all that Mr. Winterstein does. She appreciates that Mr. Bey pushed to get this program started.

Mr. Bey said he is really happy FPUA is doing this program to the extent we are doing it. He has watched the program develop and the door element is really important. Mr. Bey said he would like to see us go further with this over the years. He said it starts to change the impression people in the community have about FPUA that we are not the robbers that come in and charge them high rates and take their money. FPUA is turning it around by spending money to make people comfortable and educating them.

Mr. Winterstein said some of these customer's utility bills are not $150 and they qualify for the program. He tells them they will not have a $75 electric bill because of these changes, but they may see a small decrease. If they are living on $1,200 a month and putting out 10% of their income on utilities, these small changes helps them because they would never be able to afford new doors.

Mayor Hudson said previously Mr. Winterstein was asked to give this presentation to the City Commission.

Mr. Winterstein said he thought he would share the pain with FPUA first before he goes to the City Commission with it. He and Ms. Woodruff are presenting it at the City Commission meeting on October 3.

Mr. Lindstrom said you may not know it by the presentation but Mr. Winterstein has a day job as well and this is almost a full time function. He said this is another example of a collaboration between the City and FPUA that sometimes goes unnoticed. Another unique aspect of the Utility Authority in this County and the entire Treasure Coast area, FPUA does something else that nobody else does.

Mayor Hudson asked if any of the other utility companies that are a part of FMPA do this kind of thing.

Mr. Lindstrom said there are some Membership companies that participate in weatherization programs, but not to the extent of this one.

Mayor Hudson said maybe we need to share it because it is unique and is a real personal touch.

Mr. Lindstrom said that is correct as opposed to the shareholders piece.

Mr. Bey asked if FPL does this sort of program.

Mr. Lindstrom said not to the extent of this. He said they have something they call weatherization program.

Larry Lammers, Electrical Engineer, presented the 2nd Street budget transfer item. He said the 2nd Street improvement project has experienced various construction delays that have required us to construct facilities on a different timeline than originally planned. In light of this, we are required to complete portions of construction during this budget year that were scheduled to be completed during previous budget years. The budget transfer being requested will bring the total expenditure on the 2nd Street project for this fiscal year to $408,750. The total cost of the project is still expected to remain within the latest estimate of $895,000. Staff recommends a budget transfer in the amount of $304,750 to accommodate the additional work that must be completed this year.

A motion was made by Mayor Hudson, seconded by Ms. Cavalcanti, and unanimously carried to approve the budget transfers totaling $304,750 for the 2nd Street from Seaway Drive to Taylor Creek project (#581).

Barbara Mika, Finance Controller, presented the annual request for the Florida Municipal Insurance Trust property, workers' compensation, general liability, and automobile liability insurance information. She said this is an annual request to accept the renewal quote for FPUA's package policy. The policy will be effective from October 1, 2016 to September 30, 2017, and carries a premium of $595,785. Included in your agenda packet is a copy of the recommendation letter from Siver Insurance Consultants, which describes in detail the changes in coverage. The letter also contains a table comparing premiums between FY 2016 and FY 2017. There is an overall premium decrease of $35,937 or 6% from the previous year's premium. Also, included in the letter is the notification that FPUA can expect a refund of approximately $50,000 from the property premiums charged during the FY 2014-2015 policy year. Florida Municipal Insurance Trust returns a portion of their members' property premiums if their overall losses, for all members combined, are lower than expected. This is one of the benefits of doing business with

FMIT. Siver Insurance Consultants has reviewed the renewal quote and recommends FPUA continue with the package policy. Staff has been satisfied with the service provided by FMIT and agrees with the recommendation. We are asking the Board for approval of the insurance renewal quote provided by FMIT for $595,785 for FY 2017.

Ms. Cavalcanti said this is good news.

A motion was made by Ms. Cavalcanti, seconded by Mayor Hudson, and unanimously carried to accept renewal quote from Florida Municipal Insurance Trust through Florida League of Cities for property, workers' compensation, general liability, and automobile liability insurance effective from October 1, 2016 to September 30, 2017, and approve funding of $595,785 premium.

Mrs. Mika presented the Electrical purchases for resale from the Florida Municipal Power Agency, (FMPA). She said In this next item being presented we are requesting approval for the Electric purchase for resale from the FMPA of Orlando, Florida in an amount not to exceed $44,505,000 for FY 2017. The table included in the agenda packet shows the actual and projected costs for electric purchases for resale for the past five years. The projection for FY 2017 is based upon projections from Public Resources Management Group with the information available at that time. The projected rate per Mega Watt hour is $79.12. The most recent bill for August, the cost of purchased power was billed at $75.36. Keep in mind this request is based upon the approved budget and will only be spent for the electric purchases as billed. We are asking for approval from the Board for Electric Purchases for Resale from the Florida Municipal Power Agency of Orlando, Florida in an amount not to exceed $44,505,000 for FY 2017.

Mayor Hudson said she had asked Mr. Lindstrom if it is $75 now, why it is projected at $79 and he basically said this number was supplied and is a conservative number. She said we are budgeting probably more than we will use.

Mrs. Mika said it was budgeted based on the knowledge and information FPUA had at the time.

Mayor Hudson asked if it is a conservative estimate.

Mr. Lindstrom said it is a conservative estimate and with the gas prices we do not know what can happen.

A motion was made by Ms. Cavalcanti, seconded by Mr. Bey, and unanimously carried to approve Electric Purchases for Resale from the Florida Municipal Power Agency, of Orlando, Florida, in an amount not to exceed $44,505,000 for FY 2017.

Mrs. Mika presented the natural gas purchases for resale from Florida Gas Utility (FGU). She said this item being brought to the Board for approval is for Natural Gas Purchases for Resale from Florida Gas Utility of Gainesville, Florida, in an amount not to exceed $2,000,000 for FY 2017. The table included in the agenda packet shows the historical actual and projected natural gas costs. The projections for FY 2016 and 2017 were prepared by staff at the rate we actually paid last year and include projections for consumption for normal residential and commercial customers as well as for contract customers. As in the previous item presented this request is for the approved budget and will be spent for Natural Gas purchases only as billed. Staff is asking for approval from the Board for the FY 2017 Natural Gas Purchases for Resale from the Florida Gas Utility of Gainesville, Florida in an amount not to exceed $2,000,000.

A motion was made by Ms. Cavalcanti, seconded by Mayor Hudson, and unanimously carried to Approve Natural Gas Purchases for Resale from Florida Gas Utility, of Gainesville, Florida, in an amount not to exceed $2,000,000 for FY 2017.

Mrs. Mika presented the Bill Comparisons for the month of July 2016. She said the first graph displays the comparison of Florida residential electric bills for the month of July, which has been compiled by the Florida Municipal Electric Association. The graph shows municipal electric bills in the State of Florida for usage of 1,000kWh. FPUA is identified in yellow, and represents FPUA's relative position compared to the other municipal electric utilities. FPUA's standing has fallen back one position since the June comparison to the 9th position from the left. FPUA's electric bill for July held at $107.84 and remains below all three averages shown in this graph for the All Requirements participants, for all Municipal Utilities, and for the Investor Owned Utilities. For the third consecutive month FPUA ranks among the top ten lowest utility bills in this comparison. Since June, eight utilities have increased their bills and ten have decreased their bills. The most significant changes that have occurred this past month with the City of Williston's bill reflecting an increase in fuel cost adjustment of $9.50. Several significant decreases have occurred with the cities of Newberry, Bartow, Leesburg, and Alachua all implementing fuel cost decreases of $7.00 to $7.50. The one change that affected the shift in our standing came from Orlando with a billing rate reduction of $3.43. Mrs. Mika said the next graph displays a similar comparison for usage of 2,500kWh. She said on this comparison, FPUA's bill at $272.30 has maintained it's standing since last month in the 12th position from the left. As in the 1,000kWh comparison, FPUA's 2,500kWh bill for the month of July also falls below all of three averages shown in this comparison. Displayed before you is the July comparison of local residential electric, water, and wastewater bills that have been compiled by Finance staff. The table displays the comparison of utility bills between Fort Pierce, Port St. Lucie, St. Lucie County Utilities, Vero Beach, and Martin County. All calculated bills include the applicable taxes and fees and have been verified to actual bills. There were no billing rate changes to this comparison since June's presentation. However, the actual bill used in this month's comparison for Vero Beach had both electric and water services combined on that billed, so comparison no longer includes IRC Utilities for water. FPUA's Electric Services remain lower than Vero Beach by 9.5%. The FPUA total bill shown here is the lowest of all other utilities in St. Lucie County. In addition to the previous slide comparing the

local residential bills, we have included a more detailed comparison of those bills with, fees for services and a breakdown of the taxes and other charges to the customers in these different service territories. An explanation of the fees charged was also included in your packets. It is important to note Fort Pierce Utilities Authority does not charge a separate franchise fee to customers inside city limits. The 6% distribution that is paid to the City each year is built into the base rate for all services billed. This item is for information only and no action is required by the Board.

Ms. Cavalcanti said we have talked in the past that Vero Beach may be funding their water bill from their General Fund, but do we have any idea why water and wastewater for Martin County and Vero Beach are both significantly lower than FPUA's water and wastewater.

Mr. Lindstrom said he had a conversation with their consultant last month and he indicated they are significantly underfunded from all of their sources, in his opinion. He said they are not utilizing the R&R reserves the way they should and are not necessarily collecting the revenue the investment would substantiate. They are currently healthy, but they do not have a long term impact.

Mayor Hudson said the microphones are very old and the City approved last night money to buy new ones. She said that is why everyone is being asked to speak close to the mike because the recording equipment cannot pick up your voice. Clay needs to speak a little closer also because his voice is quiet.

Mrs. Mika presented the Financial Operating Results for July 2016. She said the year-to-date decrease in net position after the adjustment for the Distribution was $2.6 million and the year-to-date decrease of $1.5 million from the same 10-month period last year. Other year-to-date changes were decreases in Operating Income of $284,000, decrease in Capital Contributions from last year of $1.2 million, and decrease in interest expense of $116,000. Electric operating revenues, less power cost, from FY 2015 revenues are up 2% from FY 2014, FY 2016 revenues are up 3% from FY 2015, and FY 2015 consumption was up slightly .9% from FY 2014 and FY 2016 consumption was up 1.5% from FY 2015. Water operating revenues and consumption for FY 2015 operating revenues are up 2.5% from FY 2014 and up 3.4% in FY 2016. FY 2015 water consumption is down 1% from FY 2014 and up 3% in FY 2016. FY 2015 revenues are up because of rate increases in March 2014 and March 2015. Mrs. Mika said the wastewater operating revenues and gallons billed for FY 2015 the operating revenues were down 0.5% from FY 2014 and picked up 2% from FY 2015 to FY 2016. In FY 2015, gallons billed were down .6% from FY 2014 and up .5% from FY 2015 to FY 2016. Natural Gas operating revenues less gas cost and consumption, for FY 2015 revenues were up 4% from FY 2014 and FY 2016 revenues down 5%. FY 2015 consumption was up 2% from FY 2014 and down 6% from FY 2015. Operating income and debt service debt service coverage ratio for the 12 months ended in July 2016 was 2.57%, which is well above the 1.25 required by FPUA's bond covenants. Mrs. Mika said she would like

to follow up on a question that arose at the last meeting during the presentation of the June Financials in regard to the change in the number of commercial water services billed inside City. She said the concern was the number of services had dropped by 38 customers. The numbers presented were for services billed in June 2016 as compared to June 2015. The decrease of 38 commercial water services billed inside City was for a 12-month period, not for one month as may have been interpreted. The change for the month of June for the previous month had been a reduction of nine. Attorney Koblegard's concern was with the annexation agreements and the majority of those had already been done by the June numbers so the comparison of June to June were already in that number. The changes that took place over that 12-month period consisted of 68 services being inactivated, 28 new services, and two locations which were rezoned from outside City to inside City due to annexation agreements. This is an information-only item and requires no action from the Board.

Mrs. Mika presented the status report on Electric Power Cost Adjustment (PCA) for August 2016 with updated projections through August 2017. She said PCA is the method by which FPUA recovers the cost of power from our customers that is in excess of the excess of the $79.52 base power cost, which is included in the base rate. The cost of power purchased from Florida Municipal Power Agency (FMPA) for the month of August was billed to FPUA at the rate of $75.36 for 1,000 kWh, a decrease of $2.25 as compared to July. The under-recovery from the customer for the month of August totaled $445,354 and the cumulative over-recovery was $3,044,288 as of August 31. The next chart compares the All-Requirements projections provided by FMPA to actual. These projections have been previously presented as a part of the monthly status report of the Power Cost Adjustment. This format with the projection and actual side by side demonstrates these projections typically are higher than actual and on average in this 13-month comparison are 16% greater than actual. The chart displayed, the dark blue line represents the PCA and colored bars represent the amounts collected, with the blue bars representing the actual monthly collections through August and the orange bars representing the projection for over or under collections through September 2017. The projection of FPUA's power cost was prepared by Public Resources Management Group (PRMG), which in turn are based on projections prepared by FMPA. Since July, FMPA's estimation of the price of purchased power for the next 12 months has increased by 4.8%. Based upon the current -$9 PCA, the over recovery is expected to fall below the $1 million minimum by February 2017. Because of the current level of our $3M over recovery and the projected over recovery expected for September, staff is not recommending a change in the PCA at this time. We will continue to monitor and present to the Board actual and projected costs and sales levels and recommend changes only when necessary. This item is for information only and no action is required from the Board.

Javy Cisneros, Electric Supervising Engineer, presented the extension of contract with Mastec North American, Inc. for one year. He said staff is requesting an extension of the contract with Mastec North America for the Electric Underground Unit Price Contract in the amount not to exceed $500,000 for one year starting October 1, 2016.

A motion was made by Mayor Hudson, seconded by Mr. Bey, and unanimously carried to approve POA 6053: Extension of Contract with Mastec North America, Inc., of Coral Gables, Florida, for installation of underground electric facilities, in an amount not to exceed $500,000, for the period from October 1, 2016 to September 30, 2017.

Bill Crawford, T&D Superintendent, presented the Davey Tree Expert Company contract for tree trimming services. He said staff is asking for approval of a one-year contract for tree trimming to Davey Tree Expert of Kent, Ohio. On August 26, FPUA received an open bid for four tree trimming firms and after careful review, staff has chosen Davey Tree Trimming Expert of Kent, Ohio as lowest and most qualified bidder and ask for the Board's approval for this contract.

Mr. Bey asked how many local tree trimmers turned in bids for this.

Mr. Crawford said there were no local bids.

Mayor Hudson said she asked the same question because when looking at the bidders they are from Midwest states. She said Mr. Lindstrom said they have the presence here in Fort Pierce.

Mr. Lindstrom said they have branch offices throughout the State of Florida.

Mr. Perri asked who FPUA is using now.

Mr. Crawford said Asplundh is who FPUA uses now.

A motion was made by Mayor Hudson, seconded by Mr. Bey, and unanimously carried to approve Bid No. 16-42: Award of bid and contract for tree trimming at various locations within the FPUA's territory, with The Davey Tree Expert Company of Kent, Ohio, in the amount not to exceed $300,000 annually. The initial term of this contract will be from October 1, 2016 to September 30, 2017, with four, one-year renewal options.

Mr. Lindstrom said October 3 through October 7 is the nationally recognized Public Utility Week and Paul Jakubczak is here to present the resolution. He said Mr. Jakubczak has several employees that are really the heart and soul of this organization to be represented with him.

Paul Jakubczak, Electric & Gas Systems Director, presented Resolution 2016-08 recognizing Public Utility Week. He said for the Board's consideration is Resolution 2016-08 in recognition of Public Utility Week the week of October 3 through October 7. One of the things FPUA will be doing is participating in Friday Fest with a bucket truck out there, the Gas Department will be there along with the Wastewater Department. The Communication Department will be there to talk about

FPUA and the benefits we have for the community. Mr. Jakubczak asked each employee to introduce themselves and state what department they work for.

Those employees present for recognition were: Valerie Schulte, Water/Wastewater Engineering; Andrew Byrd, Water Distribution; Keith Stephens, Water Resources; Mark Kobbe, Wastewater Collection & Wastewater Treatment Plant; Javier Cisneros, Electric and Gas Engineering; Terry Keck, Electric Distribution; and Craig Crawford, Gas Operations.

Mrs. Mazzarella read the resolution title into the record as follows: "Resolution No. U.A. 2016-08, A Resolution recognizing FPUA Public Utility week, October 3 to 7, a week-long celebration of Fort Pierce Utilities Authority's year-round service to the City of Fort Pierce".

A motion was made by Mayor Hudson, seconded by Mr. Bey, and unanimously carried to adopt FPUA Resolution No. U.A. 2016-08, Recognizing week of October 3-7 as Fort Pierce Utilities Authority's (FPUA) Public Utility Week.

Mayor Hudson and the Board thanked everyone.

Mr. Lindstrom said the October 4, 2016 Board meeting is being cancelled and the next meeting will be October 18, 2016.

Mr. Lindstrom said FPUA will have a display at the Friday Fest with all the utilities represented and look forward to the Board's participation.

Mr. Lindstrom said on September 16, a check was written to the Treasure Coast Regional Planning Council for $998,397 to pay off the first loan of $700,000 and put $298,397 towards loan number 2.

Mr. Perri asked if there will be brochures at the Friday Fest to be handed out.

Mr. Jakubczak said they would have brochures.

There being no further business, the meeting was adjourned.

ATTEST:

SECRETARY

CHAIRMAN