MINUTES OF A REGULAR MEETING OF THE FORT PIERCE UTILITIES AUTHORITY, TUESDAY, OCTOBER 17, 2017, 4:00 P.M., CITY COMMISSION CHAMBERS.

Members Present: Chairman Daniel M. DeIulio; Vice Chairman Darryl Thomas-Bey; Secretary Michael A. Perri, Jr.; Mayor Linda Hudson; and Johanna Morris, Acting Ex-Officio Member/City Manager.

Excused Deputy Secretary Glynda Cavalcanti.

Others present: John K. Tompeck, Director of Utilities; Rupert N. Koblegard, III FPUA Attorney; Nina B. Penick, Director of Financial Services; Paul Jakubczak, Director of Electric & Gas Systems; Bowdoin G. Hutchinson, Director of Water/Wastewater Systems; Lois A. Wolfe, Human Resources Manager; and Judith A. Widmayer, Acting Community Relations Manager.

The meeting was called to order by Chairman Daniel DeIulio.

Opening Prayer was by Jason Mittler of FPUA Gas & Electric Engineering.

The Pledge of Allegiance was recited.

The roll was called and a quorum declared.

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

A motion was made by Mayor Hudson, seconded by Mr. Bey, and unanimously carried to approve the October 3, 2017 regular meeting minutes.

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

1. Excuse Glynda Cavalcanti from this meeting, she is out of town.

2. Approve Post Budgeted Project Request and Budget Transfer for $56,000 to provide natural gas service to the new Maverick Boat Group location on St Lucie Boulevard.

3. ITB 17-81: Approve award of Bid and Contract for the replacement of the east side of the Island Water Reclamation Facility security fence to and with Commercial Fence Contractors, Inc., of Summerfield, Florida, in an amount not to exceed $24,500. This Contract will commence upon written Notice to Proceed and end on November 30, 2017.

4. RFP 17-41A: Approve Amendment No. 1 to the HVAC parts, repairs and replacement Contract with Custom Air Systems, Inc. of Port St. Lucie, Florida to increase the not-to-exceed contract amount from $30,000 to $60,000 annually.

5. Approve the Florida Department of Transportation Utility Work Agreements for utility work and reimbursements associated with the Kings Highway Widening Project in the amount of $280,141.10.

A letter was received from Principal Ucola Barrett-Baxter thanking FPUA for their donation of backpacks and supplies for the students at C.A. Moore Elementary School.

An email was received from Jack Gallick thanking FPUA linemen and crews and Angie Stephens of Customer Service for their assistance in getting his power back on after the hurricane.

A letter was received from William & Sandra Stein thanking FPUA employees for restoring their electricity so quickly.

An email was received from Dorothy L. Malik from the Department of Juvenile Justice, C19 thanking FPUA for the donation to their 5th Back to School Bash and Health Fair in Circuit 19.

Bo Hutchinson, Director of Water/Wastewater Systems presented the Effluent Discharge Event. He said on Monday, October 2nd at around 2 a.m., the Island Water Reclamation Facility (IWRF) experienced a power loss that caused a discharge of approximately 1.25 million gallons of treated effluent into the lagoon. The discharge began around 3 a.m., which is about an hour after the power outage started and ended at 6:45 a.m. The high flows we were experiencing after Hurricane Irma only gave us about an hour of storage time in the treatment system before we were basically full and it overflowed into the river. The discharge was reported to the Department of Environmental Protection, St. Lucie County Health Department, and State Warning Point. Mr. Hutchinson said staff sampled the surrounding waters for 10 days following the event and all samples were normal for our area. He said as a background on how the plant typically operates, there are two independent power circuits that feed the plant under normal conditions. They are circuit 45 and circuit 55 and we have the ability to switch the plant back and forth between these circuits and power the entire plant from either circuit. The analysis of the event showed a couple of internal contributing factors. First, circuit 55 was less reliable around the time of the storm and the operators had been running the entire plant on only circuit 45 and then failed to put it back into a split system after the system became more reliable. If we had been back to our standard operating condition of splitting the plant between both feeds, the discharge would have been reduced. It would not have been eliminated, however the volume of

discharge would have been reduced, and that is an operational error on our side. Second, the battery back-up for our SCADA system failed and therefore did not notify our on call operator of the trouble. We did not find out about the trouble until we arrived at the plant around 6 a.m., so the discharge happened. There were some lessons learned and we have to keep that from happening again. Mr. Hutchinson said the issue breaks down into two categories, communication and power. On the communication side, we have installed a new larger battery back-up on our SCADA system. Now the electrical control room will also call the standby Wastewater Plant Operator and other key wastewater personnel to notify them if there is a fault in either of the electric circuits powering the plant. Staff is also going to monitor the SCADA system through the FPUA network that will notify us of any loss of power to the SCADA system itself. On the power side, connection of a dedicated power feed from circuit 44 will replace circuit 45. In the memo, Mr. Hutchinson said he indicated it would take about 30 days to get that done, but the power boys have stepped up and they actually finished it this afternoon. Circuit 44 is a dedicated line to the IWRF and the museum so it is only a single mode there and will be a much more reliable feed as opposed to circuit 45. They also plan to replace two main transformers at the plant due to their age to increase liability and that will be done before the next hurricane season 2018. We are also going to train more of our personnel to manually switch the feeds and are going to design and install an automatic transfer switch. That will eliminate the need for a manual switching and will allow us to operate the plant without either feed and if it fails it will then roll back to the 2nd feed without any manual input that as well. Mr. Hutchinson said they are going to design and install a standby generator that will be done before hurricane season 2019. In the event both the power feeds fail, it would then roll over and start the generator. The generator and automatic transfer switch are fairly expensive endeavors and staff is going to make sure the generator is as portable as possible. It will be skid mounted in one of our buildings so when we get to the point of building a new facility elsewhere, we will be able to take it with us and will not be a sunk loss asset. We are going to put a rental contract in place for a couple of large portable generators that will be able to power just our deep injection well pumps. In the event of a power outage to the entire plant, the pumps will still run and we will be able to put the flow down the deep injection well. It will only be partially treated and it should eliminate that from going into the river up to a point. We can put in about 16.5 million to 17 million gallons per day down in the deep injection well. If our flows are beyond that it will still go into the river, but this should mitigate most of what we have seen so far and will be put in place before the next hurricane season. This is an information only item.

Mayor Hudson said putting all of that together it seems what caused this is really Hurricane Irma and because something was done before and during the hurricane and that kind of triggered that too.

Mr. Hutchison said that was a contributing factor. He said during the hurricane they were having multiple power failures on both of the circuits and the operators had decided that circuit 45 at that particular time had been more reliable so they left it on circuit 45. They should have gone back and switched and split the plant flows again where half the plant is powered by one feed

and half on the other. We are able to handle any of our daily maximum demands and typical demands with just half of the plant running so that would work because we would have enough power to keep everything going even if we lost one power leg. However, with the storm and the saturated ground, our plant flows were way beyond twice what we typically have there so the flows are a lot higher at that point. It would have helped to have us back in the normal operating condition, but it would not have helped the problem, unfortunately.

Mayor Hudson said we had a whole week of rain and wind after the hurricane too.

Mr. Hutchinson said yes we did.

Mr. Bey asked if there was any negative impact to the river or the lagoon as a result of the discharge.

Mr. Hutchinson said no, they sampled at seven different locations throughout the river with the majority of which were right around the peninsula. He said other samples were done across the river, underneath the bridge, and they expanded out from there. This was done for a total of ten days and once the results had normalized, it basically showed as the old phrase "dilution is the solution" and there were no negative results beyond what we would typically see in the river with high or low tide.

Paul Jakubczak, Director of Electric & Gas Systems, presented the July 2017 electric quarterly reliability update for FPUA. He said this is the 12-month rolling average for the period ending July 2017 for the FPUA reliability numbers. The first number is SAIFI, which is what you can expect if you are a customer of our system to experience as a power outage during any given calendar year. What we have done with FMEAs help is they have gathered all this data for utilities throughout Florida and what is displayed is throughout the month of July, the average customer would see 1.41 outages. If you look at that and compare it statewide, you will see FPUA is slightly above what the average is for our number of customers. Mr. Jakubczak said this is just a snapshot in time. After this presentation was put together, he received the August numbers and for these same statistics for a 12-month rolling average was 1.23, which is still a little bit above the averages for the state. He said if you look at it purely a yearly basis, our customers are at .72, which is less than one outage per customer in anticipation. The statewide average for this right now is .89 so they are creeping closer to 1, but we are still below that. The next statistic we take is CAIDI and this number is based on those customers that did experience an outage and how long the outage would last. FPUA is at 63.68 minutes for this 12-month period. If you compare that to how we did for the rest of the state, we are a little bit below average or above average depending on how you want to look at it. FPUA has 28,000 customers so we are at the high end of medium or the low end of large. If you look at that for the same period he talked about before for the August numbers, FPUA's rolling average now is 58.36, which is five minutes less than this 12-month period. The state average is 74 and if you look at a year to date for seven months

ending in August, we are at 42.49 minutes. FPUA is improving and it is a snapshot in time. Mr. Jakubczak said he went back and looked today and it looks like we had a large number of rolling storms come through in July and August of last year which would affect that 12-month rolling average. SAIDI takes the total number of minutes and divides it by the customers we serve. FPUA's average for the 12-month rolling ending in July is 89.62 minutes and that compares showing we fall right in between that 100 minutes and 70 minutes based on our customer size. Based on that with what we just talked about for August, FPUA dropped from 89.62 minutes down to 72.28 minutes and the state average drops down from 101 to 82 so FPUA surpassed the average if you take in the month of August. The year to date is 30 minutes compared to a state average of 66 minutes. It truly is a snapshot in time and we are always trying to improve this and trying to mitigate the outages that we do receive. We try to make sure our service quality to our customers is top notch.

Mr. DeIulio asked if FPUA is at 30 minutes and the state average is 66.

Mr. Jakubczak said that is for the year to date from January to August as it stands right now. He said all these numbers do not include hurricanes or major storms so all we really take out of there is the hurricanes. Hurricane Irma is not in this and also Hurricane Matthew is not in this. The next slide shows the yearly comparison of how FPUA did for the date ending December 2016 compared to all the investor-owned, the municipal average, and co-ops as well. We use a lot of these numbers when we start looking at our system planning so we can look at the worst performing circuits, what is causing all of our outages to improve it for the next year and that is kind of how we build our budget. This is for information only and no action is required from the Board.

Mayor Hudson said she is looking at the worst and the best of each of these and looking at the worst on SAIFI is New Smyrna Beach as far as she can tell. She said the best is Winter Park. As an example she asked Mr. Jakubczak if when he looks at this does he look to see if there is something they are doing that we could be doing. Is there something we could learn from another utility?

Mr. Jakubczak said we are constantly looking at that and have round table discussions and will call up other utilities to find out what they are doing to improve this. He said some of the things FPUA is doing is a more aggressive tree trimming program and we are also looking at ways to mitigate our biggest issue we have which is squirrels and mitigate them from getting up on the lines. Frogs are another issue they are looking at as well too so they are always constantly comparing ourselves to the industry and not just in Florida, but throughout the nation to find out better ways we can run our system to improve these numbers and to lessen the burden of an outage for our customers.

Mayor Hudson asked if she was reading the numbers right and that FPL is better than us and all three measurements.

Mr. Jakubczak said they were last year and one of the things you have to be careful of is when FPUA has an outage we have less customers to spread that outage across.

Mayor Hudson said that is right they have more.

Mr. Jakubczak said they have millions to spread it across, but on a customer-customer basis, FPUA's numbers were not as good as FPL's last year.

Mayor Hudson asked if he was familiar with the outage last night on Oleander.

Mr. Jakubczak said he did not hear about that one.

Mayor Hudson said there was a crash into a pole and there was a 4-hour outage of at least one customer she heard from.

Mr. Jakubczak said he probably knows that customer. He said unfortunately that is probably the second worst culprit of outages is human interference, be it cutting a tree down across a line or crashing into a pole. Unfortunately we have to have those extended outages to make the scene safe to make sure whoever crashes into a pole, the EMS can get them out. Also it is more extensive damage for FPUA to get in there to take care of it.

Mayor Hudson said so the number one reason is not squirrels.

Mr. Jakubczak said number one is squirrels and then human interference. He said that is why we do not like squirrels.

Mayor Hudson said we do not want to do anything that PETA would be upset about.

Mr. Jakubczak said we let them take care of themselves.

Mr. DeIulio asked how our numbers for 2016 compare to 2015.

Mr. Jakubczak said 2016 was a little worse than 2015 because of the extent of the outages and similar to like we saw between the July and August numbers. We had that bad month that is still sitting out there, which we are thinking is August and you saw how the numbers dropped between July's 12-month and August's 12-month. Right now we are trending to be better than this year than to 2015. He said he can pull up those numbers for them.

Barbara Mika, Finance Controller, presented the monthly update on the bill comparison for the month of August 2017. She said the graph before you displays the comparison of Florida

Residential Electric Rates for the month of August for the 33 municipal utilities that operate in the State of Florida. Thirteen of these municipal utilities, including FPUA, are members of the All-Requirements Project. These participants are colored in red on this graph except FPUA which is shown in yellow. The All-Requirements Power supply project provides its participants the benefits of lower operating costs, economies of scale, and lower risk with more cities working together. The Florida Municipal Electric Association (FMEA) compiles these billing rates each month from the utilities around the state. The graph shows all municipal electric bills in the State of Florida for the average residential usage of 1,000kWh. FPUA's August bill for 1,000kWh of consumption comes in at $119.84 and is identified in yellow. This rate reflects the $1.00 increase in the Power Cost Adjustments (PCA) implemented on August 1st. FPUA ranks in the 9th positon from the right in this comparison and is a decline of two positions from our July billing comparison. Also depicted in this graph, in blue, is the relative position FPUA would be in with the September bill and the approved adjustments to the power cost. Mrs. Mika said a few notes on the billing rate changes that have occurred is there were 15 municipal utilities that experienced rate changes for August. She said the net effect of the changes was a decrease of $28.78. These rate decreases have impacted the average rates for both the All Requirements Participants (ARP) and for the Municipal Utilities down approximately $0.90 from the previous month. The main contributor to the rate decrease among the ARP was Newberry with a $15 rate decrease from July. Among the other local municipal utilities, Chattahoochee, Quincy, and Williston all had rate decreases in the $3 to $4 range from the previous month. The August bill for FPUA, at $119.84, remains below the averages for the All Requirements participants and for the Investor Owned Utilities. The next graph displays a similar comparison for usage of 2,500kWh. In this comparison, FPUA's standing has fallen two positions since July, and now sits in the 11th position from the right. We have also included on this graph, the depiction of where FPUA would stand with the additional approved increases to the power cost which became effective September 1st.

Mr. DeIulio said when you are looking at comparing where we are compared to the ARP utilities throughout the state, FPUA is right in the middle, because there are six to the right and six to the left. He likes to compare FPUA with that because we have similar costs with them.

Mrs. Mika said we are below the average and then we are right in the middle. She said the table displayed before you now is the August comparison of residential electric, water, and wastewater bills for of local Treasure Coast area. It includes a comparison of utility bills for Fort Pierce, Port St. Lucie, Vero Beach, and for the county utilities for St. Lucie County and Martin County. The bill totals shown here include all applicable taxes and fees and have been calculated and verified to actual bills or rate schedules. Since this comparison was last presented for the month of July, the only change in the comparative electric bill was with the Ft. Pierce Utilities Authority bill with the adjustment to fuel costs of $1.00/ 1,000 kWh of usage. There were no changes to any of the rates on the water and wastewater billings. FPUA's current overall bill for all three services remains the lowest in St Lucie County. The last table has a more detailed comparison of these local residential bills with a breakdown of the fees for services, taxes, and other charges to the

customers in these different service territories. This item is for information only and requires no action on your part.

Richard Mutterback, W/WW Engineering Environmental Engineer presented the Sedona Planned Unit Development water and wastewater project. He said this a supply agreement with Edwards Landing to provide water and wastewater services for their Sedona Planned Unit Development. This presentation highlights the fact that development and growth are coming to Fort Pierce. This supply agreement represents the 1st phase of a larger planned unit development located at the intersection of Edwards Road and South 25th Street. Phase 1 will consist of 78 townhomes along with a clubhouse and pool. The use of future phases of the development have not been determined at this time, although previous site plan iterations showed the potential of an additional 84 townhomes and 134 single family lots. Staff has worked with the developer's project engineer in preparation of the supply agreement, calculation of water and wastewater ERC's, and associated Capital Improvement Charges. Additionally, we looked at what affect the development would have on FPUA's existing facilities in the area. Although water and wastewater capacity is readily available, the adjacent lift station the development proposes to utilize would require an upgrade to the pump impellers to efficiently handle the increased load from the development. Mr. Mutterback said the supply agreement includes the impeller upgrade as a service contingency. He said Edwards Landing will be solely responsible for the funding and construction of the proposed water and wastewater infrastructure, the necessary upgrades to the existing lift station, and some necessary deflections to FPUA's existing 12" water main that runs along South 25th Street and that is to accommodate for drainage for a new turn lane in their entrance. This supply agreement does not require any financial contribution from FPUA and can be executed by the Director of Utilities, Mr. Tompeck. The developer is anxious to get started with construction and we are excited to be part of a new development in the community. He said this is for information only and no action is required from the Board.

Mayor Hudson asked if this is in the City.

Mr. Mutterback said it is outside the City and they have signed an annexation agreement.

Mayor Hudson asked if the developer signed the annexation or do the individuals sign it.

Mr. Mutterback said the developer/property owner signs it.

Mayor Hudson asked if it is going to be 78 townhomes.

Mr. Mutterback said 78 for the first phase.

Attorney Koblegard said the reason they put the annexation agreement in the supply agreement is to hopefully get it signed before they sell any lots. He said if they have already pre-sold any, it is their responsibility to notify the buyers there is an annexation issue and we do record it.

Mayor Hudson said it is their responsibility to make sure the person buying the lot knows the annexation is there.

Attorney Koblegard said once it is recorded it will be picked up on the search.

Mr. Perri said Mr. Mutterback said Edwards Landing is responsible for the funding and the construction. He asked if FPUA has a say so in the construction and are we going to be having somebody looking at the construction of it.

Mr. Mutterback said staff has already went through their plans and have reviewed and approved them. He said our utility inspector oversees to be sure they are following our standards.

Mr. DeIulio asked if the upgrades that are being suggested are for phase 1 or the overall project.

Mr. Mutterback said they are for phase 1 and we did not go beyond the first phase.

Mayor Hudson asked if they have gone through their planning with St. Lucie County.

Mr. Mutterback said that is correct.

Mr. Tompeck said occasionally we like to bring good news to the meeting.

Lois Wolfe, Human Resources Manager introduced Kathleen Meola, Senior Consultant/Executive Account Manager of Ascension Benefits & Insurance Solutions who presented the 2018 Employee Benefit Plan overview and recommendations. Mrs. Wolfe said they are seeking approval of the 2018 Employee Benefit package. She said FPUA is self-insured for medical and dental insurance so we have some funding increase recommendations as well as we will be discussing some changes to the premiums on the medical plan as well as renewal of our stop loss insurance, administrative fees we pay to Florida Blue, as well as to Florida Combined Life for administering these plans and managing the claims, as well as our EAP Program. She said Kathleen Meola is our consultant from Ascension who has prepared our benefit review and recommendation report and will go over it with the Board in detail.

Ms. Meola said she will review the 2018 Employee Benefit plan, overview, and recommendation report that is in the Board's packet. She said everything that is talked about today, will have an effective date of January 1, 2018. The first item shown is Administration that is Item c in the Board requisition packet. The administrative fees is what FPUA pays Florida Blue for claims

administration services, network access, and utilization management. This fee does include the amount FPUA pays to Ascension, which is $4.25 per employee per month, which Lois will go over on the next agenda item. This is the first increase we are seeing since August 2011 from Florida Blue. It is a 4-year offer, the first two years will be about a 5.5% increase to $63.28 per employee per month and the next two years will be another 2.8% increase to $65.05. There is an early termination fee of $50,000; however Florida Blue has offered a wellness contribution over the four years that will total $70,000. Ms. Meola said she looks at that as somewhat of an offset. She said the next section is Compliance – Health Care Reform. There are no changes now to report in the compliance arena for 2018. She said so far because legislatively there are a lot of questions and potential for change that may be coming our way. Ascension is definitely staying on top of Compliance and will advise FPUA of any updates. FPUA does remain a Grandfathered Health Plan as it relates to Health Care Form and that means this plan existed as of March 23, 2010 and we have made very minimal changes since then. Because of the minimal changes that have been made, most of which took place last year like increasing the co-pays by $5 and also changed the employer contribution by approximately 5%, that allowed FPUA to remain Grandfathered. That basically means we do not have to comply 100% with the Affordable Care Act, do not have to cover preventive care services at 100%, do not have to have an all-inclusive out of pocket maximum, and do not have to cover the emergency room services out of network at the same level as in network. From a cost standpoint that is about 3% to 5% for our plan. Remaining Grandfathered means we are avoiding that 3% to 5% increase in claims costs and our plan is to remain Grandfathered for 2018. Ms. Meola said the next section is the Stop Loss coverage and we are self-insured. She said Stop Loss insurance is protection over the self-insured health plan for catastrophic claims liability. There are two different types of Stop Loss, the first is specific coverage, which protects the plan for individual claimants that exceed $125,000 in claims spent for the year. The other is aggregate coverage, which protects the group as a whole. After the completion of a market analysis, the current carrier, which is HM Florida Blue, has proved to be the most competitive proposal. There are no lasers and no disclosure and the overall cost impact was an increase to fixed cost of 10.7%, expected claims increased by 6.4%, and the overall total medical cost is approximately $4.79 million. That represents a 6.9% increase over the 2017 expected plan costs. The Stop Loss that was just mentioned is Item B from the requisition. Ms. Meola said she is going to combine the Funding and the next section of Contributions together. She said the overall expected costs of the plan is increasing 6.9% and we are recommending due to that increase your overall funding also increase 6.9%. They are recommending FPUA maintain the same contributions split between what FPUA pays and what the employees pay. Thus that would mean that everyone within the organization would share in the 6.9% increase. The employee payroll deductions would go up 6.9% and FPUA's portion would go up 6.9%. The net impact to the employee if the Board approves this is shown on page three. The per pay would be increased by $.81 for employee only, $6.72 for employee + spouse, $5.39 for employee + child, and $11.21 for full family per pay. Although we are experiencing a 6.9% increase, this plan is still performing better than trend. Trend is just the underlining inflation in the health care goods and services from one year to the next. With Florida Blue, trend is running at 10.8% so for us to experience an increase although 6.9% is a large number, it is much better

than what is seen in the market. For other coverages, the first is Employee Assistance Program or EAP, our 3-year contract with Aetna Resources for Living is coming up for renewal and the fee will be increasing from $1.59 to $1.67 and that fee is going to be guaranteed for three additional years to December 31, 2020. Flexible Spending Accounts will remain with TASC and they will be increasing the IRS maximum to $2,600, but other than that there are no changes to report. For Dental, which is Item D on the requisition, there are a couple of changes to report here. The first is the administrative services only fee is expiring with Florida Combined Life will be increasing to $6.05 per employee per month, which is our first increase in fees since inception with them January 1, 2009. This is the fee we pay for claims administration and network access for the dental plan through Florida Combined Life. Due to this increase and the expected costs in claims for dental for 2018, we are suggesting that funding be increased by 10% and with that funding increase they are suggesting that FPUA pick up the increase leaving the employee contribution the same as current. For the dental, currently the employee pays no amount for single coverage, $11.90 for employee +1, and $24.98 for full family. Ms. Meola said the Life, Accidental Death and Dismemberment, and Long Term Disability is up for renewal for these coverages as of January 1st. She said they went out to market and after the completion of the market analysis, they are recommending a change in carrier. Currently FPUA is with Cigna and they are suggesting FPUA change to Florida Combined Life who offered the most competitive proposal overall. The impact to FPUA is basically cost neutral so there would be no increase in cost for the FPUA paid benefits. The employees will see an increase in the voluntary benefits of supplemental life and long term disability buy-up. The increase was unavoidable based on claims experience; however, the increase had we stayed with Cigna would have been higher. That is one of the reasons why we are suggesting the change to Florida Combined Life because not only would FPUA's cost remain flat, but the employee impact would be minimized. With this program there is a three-year rate guarantee so we will be locked in through December 31, 2020 and Florida Combined Life will give FPUA a $10,000 one-time wellness contribution to FPUA's wellness program for buying these products from them. The rates are listed on page 4 for basic life, supplemental life, and long term disability. There are no changes to report for the Vision coverage and FPUA is under a rate guarantee with EyeMed through December 31, 2019. Also no changes to report on the Voluntary Worksite Benefits and those are through Trustmark and Allstate. We have a Blue Medicare Program for the retirees 65 years and older that are enrolled in Medicare. There are going to be a few minor changes to that program that is a fully insured plan and is offered as an option, FPUA does not contribute to the premium. It is a plan that offers the benefits of Part A, Part B, and extra things under a Medicare Advantage Program. We have the PPO1Rx1 plan that is receiving a premium increase of 2%, PPRO2Rx2 is 5.25% increase and PPO2Rx3 is receiving 2.1% increase. All of those are far less of trend as mentioned before. If a retiree only wants to buy prescription coverage through FPUA, they can do so for a premium of $161.62 monthly and that is a 6.2% increase from the current premium. Ms. Meola said to review the summary of recommendations and things she is seeking approval on, we would like to accept the Administrative Services Only contract extension through Florida Blue, renew Stop Loss coverage through High Mark/Florida Blue at $125,000 specific deductible, increase all medical funding tiers by 6.9% keeping the same split between the employee and FPUA, renew the EAP coverage through Aetna Resources for

Living, increase dental funding by 10% with FPUA picking up the increase, and moving the Life and Disability coverages to Florida Combined Life, all of which would become effective January 1, 2018.

Mayor Hudson said on page 3 she asked if the per pay employee contribution is for pay period or per month.

Ms. Meola said the contributions is per pay on the medical and on the bottom they are showing the monthly.

Mr. DeIulio said we are talking about these cost from the perspective of Blue Cross and FPUA, he asked how about from an employee perspective. He asked if there are going to be any changes in here and maybe this is not the time to ask that question. Are there going to be any changes in here that will affect the employee's co pays and deductibles.

Ms. Meola said the benefits are not being changed for 2018 so if you are talking about medical, dental, and vision, all of those benefits when they utilize the plan they are going to experience the same cost share they have today. The only difference is going to be coming from the payroll deductions they have for each of the coverages. Medical has a change, no change on dental, no change on vision, but the life insurance and long term disability buy up if somebody takes those coverages, they will experience an increase.

Mr. DeIulio asked if he goes to a walk in clinic with the new plan will he be paying the same co pay.

Ms. Meola said that is correct.

A motion was made by Mayor Hudson, seconded by Mr. Bey, and unanimously carried to approve POA 18-17: The 2018 Employee Benefit Plan Overview and Recommendations prepared by Employers Mutual, Inc. d/b/a Ascension Benefits & Insurance Solutions, of Stuart, Florida.

Mrs. Wolfe presented the 2018 Fee Schedule Renewal Amendment for the broker services by Employers Mutual, Inc. d/b/a Ascension Benefits & Insurance Solutions. She said this increases our broker fee services to $4.25 per employee per month for the period of January 1, 2018 through December 31, 2018. This represents a $.75 per employee increase from previous and there has been no increase in the charges from Ascension since 2012. These are fees that are not paid directly by FPUA, but by the insurance providers from our carriers. This is the first increase since 2012 and Ascension helps us to administer our benefit programs, negotiate optimum pricing, and ensures regulatory compliance for FPUA in managing our self-insured and voluntary programs.

Mayor Hudson said two years for that amount and then two additional years to $2.65 for the administrative fees, is that correct. She said Item C on the requisitions. Mayor Hudson apologized, she realized she was looking at the wrong item.

Mr. DeIulio said it looks like it is just for one year.

Mayor Hudson said she was looking at the wrong paper.

A motion was made by Mayor Hudson, seconded by Mr. Bey, and unanimously carried to approve POA 18-16: 2018 Fee Schedule Renewal Amendment that increases the fee for broker services to $4.25 per employee per month by Employers Mutual, Inc. d/b/a Ascension Benefits & Insurance Solutions referred to as Ascension, from January 1, 2018 through December 31, 2018 paid by FPUA's insurance carriers.

Mrs. Penick presented the status report on the Electric Power Cost Adjustment (PCA) for the month of September 2017 and updated projections through September 2018. She said the PCA is the mechanism by which FPUA recovers the power costs from our customers that is in 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 September was billed to FPUA at the rate of $69.33 for 1,000kWh, a decrease of $1.46 as compared to August. The over-recovery from the customers for the month of September totaled about $1 million. The cumulative over recovery was about $2.2 million as of the end of September.

Mr. DeIulio requested Mrs. Penick go back one slide for those that may be watching and said the QE states December 2017 and that should be September 2017.

Mrs. Penick said that is a typo and apologized, it should be the three months ending September 2017. She said on the displayed chart, the dark blue line depicts the PCA, which has been on the increase, but we are not recommending an increase at this time. The bars depict the balance of the PCA generally over recovery. The blue bars reflect the actual amounts and the orange bars are the projections. The projections are prepared by Public Resources Management Group (PRMG), which in turn are based on projections prepared by FMPA. Because of the significant improvements in the projections, staff has not presented different options since at this time it appears that further changes to the PCA may not be required for many months. We are already over the $1 million minimum that was set forth by the Board quite some time ago. We brought it back up fairly quickly by increasing the PCA and we are not recommending a decrease in the PCA at this time. We are going into the cooler months and if there were a time to lower the PCA in the event these projections do hold true, we will probably want to do it more in the summertime as the weather gets hotter and the bills go up. We would rather decrease the PCA at that time. This is for information only and no action is required from the Board today.

Mayor Hudson said this was the good news.

Mr. DeIulio asked if this was expected with the hurricanes.

Mrs. Penick said not in particular. She said these projections were yet better than last month and it seems they cannot get much better. We were concerned with changes in the way FMPA was going to be charging us, but it has not negatively impacted our rates.

Mr. Bey asked if we are headed for a decrease in the PCA.

Mrs. Penick said we are not recommending it at this time, but we might be able to handle that in the future. She said we are going into cooler months and feel it is prudent to keep it at the $4 and we are projecting the over recovery is going to increase through the winter months. We like to look at this every month and it seems like the situation changes every month and at least we have had a couple of really good months. We could have a terrible frigid polar vortex in the middle of the winter that could cause some problems for us in terms of pricing and hopefully that does not happen. With the amount of natural gas in storage we may have a moderate winter up north.

Mr. Tompeck said one of the contributors here for sure is the fact gas is relatively flat the last three or four months and there is no reason to anticipate it is going to get any higher. He said unless there is a polar vortex event, in which case we have about ½ of our gas hedged so it will only affect half of our supply so we are in pretty good shape. One of the things Mr. Tompeck said he worries about is he wants to make sure FPUA is a little bit fatter than we should be come April and May so we can take the June, July, and August onslaught. One million dollars is not very much when we start throwing around a couple of really hot months. Staff is going to be taking a little broader look at this so we do not get into the same situation we were in four or five months ago. It is not pleasant to come here and ask for a $1 change every month.

Mayor Hudson said we were talking about a $1 increase every month for the foreseeable future so this is a lot better news now.

Mr. Tompeck said staff has completed the SWOT analysis for our strategic planning and he is going to try and meet with Mark McCain either tomorrow or Thursday he will be down from FMPA. He would like to go over the SWOT analysis with him and get ready to set up the strategic planning sessions. A meeting has been set up with Doug Coward on the October 24 to talk about the SELF and how FPUA can potentially integrate that with WEOP. Mr. Winterstein and Mr. Tompeck will be meeting with Mr. Coward to see what FPUA can do to make that work. There is a Charter Review Commission meeting tomorrow at 4 p.m. in this chamber and tomorrow is also the FMPA Policy Makers' Liaison Committee meeting at the Treasure Coast Energy Center. Lunch is at 12:30 and the meeting is at 1:30. The meeting will be about a one hour followed by a tour

of the plant, if any of the Board Members would like to attend. It is a posted meeting so anybody can go. Mr. Tompeck said the FMPA Board and Executive Committee meeting is at ESC on Thursday morning at 8:00 a.m. He said the Board meeting is usually about 8:00 a.m. to 8:30 a.m. and the Executive Committee follows directly after that. The Shade meeting has been set up out of the Sunshine for November 2 at 1:30 p.m. in the 3rd floor conference room here at City Hall. You will be getting further information on that and Koby will probably get with you. Mr. Tompeck said he would like to bring the Board up to date a little bit, although we do not have the final costs yet on the hurricane, staff is estimating the total cost will be about $1.3 million. He said why we are still talking estimating costs is because we are waiting for a lot of the mutual aid invoices that have not come in yet, but we have an idea of what it will look like, so we put in some estimates. Part of that total costs we should be able to recover from FEMA and are estimating now about $1.15 million of the $1.3 million should be recoverable. Recoverable in the near future, but not likely, but eventually should be recovered.

Attorney Koblegard said the November 2nd meeting will include the Petition for Certiorari filed by Clay Lindstrom against FPUA. He said Brad Culverhouse, his attorney, called him last week and said he is having to go into the hospital for major surgery in relation to a very serious matter. He asked Attorney Koblegard for an additional three weeks to respond and Mr. Koblegard said that would be okay. He said the court reversed itself and said he had filed timely his petition. He started before midnight and the court allowed him to activate it. It also said he had to amend it to meet the rules of the Appellate Procedure that he had not done and also to file an appendix. Attorney Koblegard said that is the next step for him to do that and once that is done, depending on what the court does at that point, it will be our turn to respond. He still feels very strongly that we have an excellent case there on the merits. We still have the Clay name clearing hearing set for some time in December and we agreed to that and it will go on unless he decides to cancel it. On the Eve Walker case, we will have Doug Noah and Gail Bradford here on that meeting on November 2nd, our attorneys through the League. They are going to have someone appointed to represent Mike Perri and asked if he had heard from anybody yet.

Mr. Perri said he has been appointed an attorney and he has already filed for a dismissal.

Attorney Koblegard said that is good. He said he will double check, but he thinks Mr. Perri and his attorney will be able to appear at the Out of the Sunshine meeting, but he will check on that. It will probably be beneficial for both parties if that will work and thinks that would be correct, but is not sure speaking at the moment.

Mr. Perri asked Mr. Koblegard to repeat what he said again.

Attorney Koblegard said when we have the Out of the Sunshine meeting on Eve Walker's case against the Board, the question is Mr. Perri will attend for the Board portion and he does not

know if they can have Mr. Perri's attorney there also to discuss her claim against you. He thinks we could, but he wants to be sure.

Mr. Perri said he will discuss it with him.

Attorney Koblegard said he will check with Doug Noah and Gail Bradford to find out, but he does not think that is a problem. He said it is something they want to make sure because meetings outside of the Sunshine are very particular and they do not want to make a mistake. We will know a lot more by then and he feels strongly about that case built on Mike's behalf and the UA's also. Attorney Koblegard said he does not think there is a whistle blower incident and that is what her case is about FPUA and Mike's so called statements in relation to her do not meet the standard for what she is claiming, in his opinion.

Mr. Bey asked Attorney Koblegard if we have set a specific date for that so called name clearing situation.

Attorney Koblegard said we gave them two choices in December and he has not heard back yet as to which one they have picked and has not heard back at all from them about that. He said it is set up now to give him one hour, but he will be the only one speaking to his understanding, but he is not sure of that. He thinks that is the way Brad explained it to him the last time they talked.

Mr. Bey said Attorney Koblegard said it is set up for him that session to last one hour.

Attorney Koblegard said if it does, he cannot imagine that it would, but he thinks that is what the Board agreed on when they were here, when Brad was here two or three meetings ago. He said we talked about setting a time for him to do that.

Mr. Bey said one hour seems to be a long time and our Board meetings do not last one hour in most cases. He said today it is lasting one hour and does not understand why it would take one hour for that to happen.

Attorney Koblegard said he will get back with his attorney and tell him we think maybe that is more than what is necessary and will report back to the Board. He said you are the boss and you can change that if you decide to.

Mr. Bey said he would say 30 minutes maximum. He said there have been documents written that did not take that long and does not see the necessity for it to last one hour personally.

Attorney Koblegard said he will run that by them and report back to the Board at the next meeting.

Mayor Hudson said the best speaker in the world loses his audience somewhere around 20 minutes.

Mayor Hudson said there is a public input meeting on October 24 for the Charter Review Commission that is from 6:30 p.m. to 8:30 p.m., here in the Chambers. She said it is for the public to come and say what they think ought to happen. Also on that date they are having an unveiling of the Painted Pots on Orange Avenue west of US 1 and the Peacock Arts District. There are 15 artists that have donated their time and painted the great big flower pots that will be planted and being unveiled at 4:00 p.m. It will be on 7th Street and Orange Avenue and they are trying to create that as an art district. She wanted to make this Board aware of it and also wanted to thank FPUA employees for the backpack contributions to C.A. Moore School because it is always an economically challenged school. It is a great effort and she has been there for a Tunnel of Hope and FPUA staff has been there and donated the backpacks and she really appreciates them doing that.

Mr. Perri said on the events like outages, spills, and gas leaks, he thinks we ought to have some way of communicating with the Board when that happens by email or telephone call when one of these things happens. He said when a customer calls the Board they can respond and do not have to call them back. There ought to be a mechanism or a way that IT could structure all the Board Members getting information on any event that affects our customers so we can respond to the customers when they call us.

Mr. Tompeck said that is a relatively simple thing to do and could have Paul add them to the outage notification system that covers the kind of things Mr. Perri is talking about. He said it automatically sends out a text and an email that will give you a brief idea of the area that is affected.

Mr. Perri asked about the have a timeline of when they are expecting to get the problem corrected.

Mr. Tompeck said he is not sure if they would include that because at the time the message goes out, they are not sure how long it will take. He said the system does allow for updates.

Mr. Perri said updates would be fine. He said if someone calls you and you are in the dark and asks what is wrong with their electric, he does not want to have to say he does not know. If they call and ask about their water, electric, wastewater, or gas, he thinks the Board should be advised when there is a problem or an event that affects our customers.

Mr. Tompeck said they would be glad to do that.

Mayor Hudson said that is exactly what happened to her last night and what she did is go to the website to see if anything had been posted there as to what the outage was. She said it was not posted on the website and she does not know if that can be done. Then she called the number because this person could not call because they could not figure out what the number was. Mayor Hudson said she called the number and someone from Dispatch told her what had happened and sometimes that is nice for the customer to know why it is out and what is involved. She said the Dispatcher told her it would be up shortly and that was around 9:00 p.m. and she believes it was not up until 12:30 a.m. That is the problem with giving somebody an estimate about when something is going to be returned because you may run into something much more complicated than you think. She agrees with Mike that if it is possible to have information because when she gets calls when people have interruptions of service or the water pressure goes down, it would be nice to know.

Mr. Tompeck said we can do that relatively simple and would be glad to do that.

There being no further business, the meeting was adjourned.

ATTEST:

SECRETARY

CHAIRMAN