MINUTES OF A REGULAR MEETING OF THE FORT PIERCE UTILITIES AUTHORITY, TUESDAY, DECEMBER 3, 2019, 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 Nick Mimms, Ex-Officio Member/City Manager.

Others present: John K. Tompeck, Director of Utilities; Rupert N. Koblegard, III, FPUA Attorney; Barbara A. Mika, Director of Financial Services; Nina B. Penick, Director of Financial Services; Paul A. Jakubczak, Director of Electric & Gas Systems; James Carnes, III, Acting Director of W/WW Systems, and Thomas A. Fryar, Acting Director of Utility Support Services.

The meeting was called to order by Chairman Cavalcanti.

Opening Prayer was by Jason Mittler, FPUAnet Manager.

The Pledge of Allegiance was recited.

The roll was called and a quorum declared.

Mr. Tompeck said he would like to pull agenda item G-3, the Island Water Reclamation Facility Relocation Strategies Update because Bo Hutchison is sick today so it will be presented at the next meeting.

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

A motion was made by Mr. Matthews, seconded by Mr. Bey, and unanimously carried to approve the Minutes of the Regular Meeting of November 19, 2019.

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

1. Approve no change to the Purchased Gas Adjustment.

2. Confirm appointment of Jason Mittler to the position of FPUAnet Manager.

3. Approve POA 18-18: The Group Application for Employee Benefits with USAble Life Insurance Company, of Little Rock, Arkansas, for the Administration of the Group Life, AD&D and Long-Term Disability benefits, for the period from January 1, 2020 to December 31, 2020, with unlimited renewal options.

4. Approve a Post Budgeted Project/Budget Request in the amount of $95,000 for the Booker Street and Avenue E Water Main Replacement Project.

A letter was received from Jody Young, City Manager/Finance Director of the City of Bushnell, Florida thanking FPUA electric metering personnel Pat Gillespie, Charles Blair, Jeff Baker, Joseph Fuore, and Wes McMillian for assisting them with their electric expansion/conversion project.

Mr. Tompeck said the first item is the purchase of Neptune water meters from Sunstate Meter & Supply for the AMI project and Eric Winterstein will make the presentation.

Eric Winterstein, Facilities and Fleet Superintendent, said on November 19th, 2019, the Board approved the purchase of Neptune water meter registers through Neptune's exclusive Florida distributor Sunstate Meter & Supply of Newberry, Florida. These registers will be used to retrofit existing water meters in preparation for the AMI project. The registers allow for compatibility with communication equipment. Mr. Winterstein said he is asking for the approval of the single source purchase of Neptune meters in the amount not to exceed $483,000 annually for six years. He said the meters will be used for ongoing new housing, business development, and the replacement of existing meters that have failed or are scheduled for replacement. Today's request will include the registers with the meter from the distributor of Sunstate Meter and Supply. As these new meters are installed, the number of registers previously requested and approved will decline in number. The bottom line is we will not have to retrofit meters with the registers, this request is all inclusive with the meter and register. Staff is requesting approval for this item and he would be happy to answer any questions, if he knows the answer.

Mayor Hudson asked if we had already approved this.

Mr. Winterstein said it was approved the last time we met on the 19th and that was the registers. He thinks it is all involved with the same POA.

A motion was made by Mayor Hudson, seconded by Mr. Bey, and unanimously carried to approve POA 15-11: The single source purchase of Neptune water meters from Sunstate Meter & Supply, Inc. of Newberry, Florida, in an amount not to exceed $483,000.00 annually for six years. The term of this purchase will be from December 4, 2019 to December 3, 2020 with one-year renewal options which allow for price increases of up to 3% over the previous year's price.

Mr. Tompeck said the next item is rehabilitation of Electric High Service Pump No. 2 at the Water Treatment Plant and Keith Stephens will make the presentation.

Keith Stephens, Water Resources Superintendent, presented the budget transfer and Globaltech Specific Authorization for the rehabilitation to the Electric High Service Pump No. 2. He is asking for improvements to High Service Pump No. 2. In 2013 the rehabilitation and replacement of the high service pumps was started and they have been in service since 1964. The Mayor was there right before the first one failed and this will be the last time he brings this up.

Mayor Hudson said he took the words right out of her mouth to ask if this was going to be the last time to bring it up.

Mr. Stephens said the high service pumps provide pressure to the distribution system and the main flow in the big high service pump room and he believes all Board Members have seen that room. He said this is the last one and staff is asking for approve of the budget transfer request in the amount of $12,250 for the Specific Authorization of GT 20-01 with Globaltech. This is for the rehabilitation of the High service Pump 2 in the amount not to exceed $372,250. He would be happy to answer any questions the Board may have.

A motion was made by Mr. Bey, seconded by Mr. Mathews, and unanimously carried to approve POA 14-53: a) Budget Transfer Request in the amount of $12,250 and b) Specific Authorization No. GT 20-01 with Globaltech, Inc., of Boca Raton, Florida, for rehabilitation to the Electric High Service Pump No. 2 system in an amount not to exceed $372,250. This Specific Authorization shall commence upon written Notice to Proceed and end upon final completion and written acceptance by FPUA, contingent on receiving required Certificate(s) of Insurance.

Mr. Tompeck said the next item is an information presentation by Paul Jakubczak on electric reliability.

Paul Jakubczak, Director of Electric & Gas Systems, presented the Electric Reliability Update for September 2019. He said this is the end of the third quarter of 2019, 12-month rolling, which is September. For our system interruption frequency, shown is the average number of outages a customer can expect over the year based on our outages we have had over the previous 12 months. We are running at .757, which is still under one and is according to the goals set prior to the year end and our strategic planning. As shown on the slide, FPUA's position based on the other municipalities that participate in the reliability survey, we have edged down a little bit, but that is additional outages. The storm season that went through here, we did not have any hurricanes, which is a great thing. We still had afternoon storms that contributed to some of the additional outages. Those outages occurred based on an average of 44.54 minutes and it was those customers that were affected by the outages. That is the duration of the outage which is the time they called, we get crews on site, diagnosis what the problem is, and restore power. Mr. Jakubczak said FPUA is still trending in the top 10% of the municipal average, we are still above the averages down below for the medium and a little bit above the large. He said we are in the large and drive the average down, is how he looks at it. The next index is the SAIDI, which is

basically all the outages divided by all of our customers even if they were not affected. FPUA is trending at 33.17 minutes for the entire 12-month period and FPUA is number five on the list for the municipal averages throughout the state for those that do participate in this survey. This is continuous and we should have some new data hopefully by March or April of next year with the 2019 numbers. It takes that long for investor-owned utilities to get all the data over to the PSC and for the PSC to print out this report. Mr. Jakubczak said as you can see from last year and this year, our last year numbers were improved from what we had from last year. He said the trend right now is to improve on that as well. The slide displays FPUA's goals set at the strategic planning and we continue to strive and improve on this and some of the projects the Board has currently approved are part of this reliability statistics. About two months ago, the Board approved the 69kV breaker replacement program that is going on right now at the Causeway Substation. As you go over the bridge, you will see the new breaker in place and they are working on wiring that. It should be done by the end of next week. Mr. Jakubczak said he would be happy to answer any questions they have.

Ms. Cavalcanti said it is a great job he is doing.

Mr. Jakubczak said there is a team behind him.

Mayor Hudson asked what is the thing she is going to look at crossing the bridge.

Mr. Jakubczak said they are replacing new high side breakers in the substations which are the 69kV breakers. He said it is a 5-year project.

Mayor Hudson asked what that means to the customer.

Mr. Jakubczak said it means more reliability through our sub-transmission system, our 68kV system. He said our reliability will be improving and next year you will start seeing more breakers being installed, plus our transformers starting to come in. We will take lots of pictures and do a presentation because everyone likes to see a $500,000 piece of equipment getting installed.

Mayor Hudson asked if that means the numbers could go down.

Mr. Jakubczak said these numbers could go down. He said we do not have a lot of transmission outages. There was a little blip about a week ago, which was a buzzard that decided to fly into the lines.

Mayor Hudson said a buzzard.

Mr. Jakubczak said yes a buzzard, if it is not a peacock or a duck, it is a buzzard. He said we took care of one of them and he is sure its brothers and sisters decided to have Thanksgiving dinner with it and that is all on them.

Mr. Tompeck said another thing we will see is more improvement when we get more trip savers installed and making sure we keep the trees trimmed. He said that is where the real improvement comes from, he thinks.

Mr. Tompeck said the next item is an information presentation by Larry Lammers on electric regulatory compliance.

Larry Lammers, Supervising Engineer for Electric and Gas Engineering, presented the Electric Regulatory Compliance Update 2019. He said he has the pleasure of discussing with the Board the tantalizing topic of electric regulatory compliance. If he can keep everybody awake through this presentation, he will consider himself successful. There is a corporation called North American Electric Reliability and they were formed because there were a few very wide spread outages that could have been prevented if there was more coordination between electric utilities that are connected to the grid. The slide shows a few of the really big outages where there were millions of customers out of power. For all of these outages, after the fact reports and studies showed if there had been more coordination, those outages could have been limited by a large degree. The NERC Mission is "ensure the reliability of the North American bulk power system". They have this long definition of what they consider the bulk power system, but in short it is what we typically think of the Grid, what all of our power plants are connected to that ensure we have a reliable electrical network. Mr. Lammers said shown is some of the key players involved with bulk electric system reliability. He said at the top is the Federal Government and the Federal Energy Regulatory Commission or FERC and NERC under them. FERC gave NERC the authority to set and enforce rules related to the Grid. Under NERC there is various regions and some of the more seasoned Board Members may remember last year when this was presented, we talked about the fact the Florida region was going to roll up into the whole southeastern region and that transition has happened. FPUA is responsible to be compliant with the NERC regulations and SERC is now that regional entity that does the enforcement for us.

Mr. Lammers said FPUA does all our compliance activities on the electric side as a team and the slide shown points out some of those members of the team. He said at the senior level is the Director of Electric & Gas Systems, Paul Jakubczak and then then the Supervising Engineers and Compliance Lead and additional people on the team that helps to ensure FPUA is compliant with all the regulatory activities we need to be compliant with. The next slide is an aerial view of the Hartman Substation, which he is pointing out because NERC has a clear defined line on what is part of the bulk electric system. At the Hartman Substation, the equipment highlighted in red is all equipment that is rated for over 100,000 volts and that is the clear line in the sand that NERC draws to say this is part of the bulk electric system. The rest of the facilities shown at the Hartman Substation in the yellow and blue are voltage levels under the 100 kV and are not considered part of the Grid. The next slide of Hartman Substation shows the equipment that is rated over 100 kV and is owned by FPUA and operated by FPL and that helps us not have as many requirements

that we are responsible to meet because FPL handles some of those responsibilities for us. The other parts of that substation, the 69 kV and the 13.2 kV portions are owned and operated by FPUA.

Mr. Lammers said what this means for FPUA is there are 22 different NERC registrations, 22 different types of entities that could be involved with the Grid. He said FPUA is registered as two of those types of registrations. We are registered as a Distribution Provider (DP) and as a Transmission Owner (TO). In the grand scheme of things, there is not a whole lot FPUA can do on our portion of the Grid that can really have a big negative impact on the Grid in general. SERC realizes this and does not give FPUA as many documents that we have to submit to prove we are doing all the things we are supposed to do. They do not consider FPUA as a high risk to negatively impacting the Grid. That does not mean there is not a lot FPUA has to do internally even though we are not submitting documentation to them to prove we are doing everything, there is still a significant amount of administrative work FPUA has to do to maintain evidence we are doing all the right things. If we do ever find ourselves in a position where we are being audited that information has to be readily available to prove as evidence. As part of that, over the past year FPUA has looked at every single standard that could potentially apply to FPUA. We have done a thorough review, which was just finished last week and did identify a couple of small gaps in our compliance and we have rectified those. Mr. Lammers said he has a very high degree of confidence that we have crossed every "t" and dotted every "i" to be sure we are where FPUA needs to be.

Mr. Lammers said one last thing he would like to highlight as far as NERC compliance goes and the grid in general, is we are seeing increasingly more stringent requirements on critical infrastructure protection. He said the electric grid is considered to be part of that and there are two main realms when it comes to protecting our critical infrastructure. One is physical security and the other one that is getting a lot more attention right now because increasingly everything is becoming more and more connected is the cyber security. It is very possible for a person behind a computer to do a lot of damage to the electric grid. With that in mind, there are more stringent requirements coming out in January that will have an impact on every electric utility.

Mr. Lammers said that is pretty much everything he has and he can see everybody pretty much has their eyes open so he considers himself successful. He would be happy to answer any questions.

Mayor Hudson said she would be interested in the cyber security measures when that happens and when whatever is going to happen happens. She would be interested in that.

Mr. Lammers said definitely and he could give her a couple of high level details now if that is possible. He said two things they are hitting on is devices that are mobile and how is FPUA going to make sure if a person moves their computer from this part of the system to here that some malicious software has not been installed in between time. What are the safeguards we are

going to have in place to prevent that from happening. The other one is similar in removable media like a thumb drive or something like that. What process does FPUA have to ensure that removable media since the last time it was installed has not had some kind of malicious code installed on it. The last one is supply chain management and he was not exactly sure what that meant when he first started delving into that requirement. Essentially, our federal government has identified that some cyber assets or computers have malicious code installed on them from being manufactured in certain know adversarial areas like China. They are putting in requirements to make sure FPUA has identified certain manufacturers that are not safe to buy equipment from because there is a potential that malicious code exist on that equipment. Out of the three things mentioned, it is not an easy answer, nobody really has that figured out yet from what Mr. Lammers understands.

Mayor Hudson said she is glad she asked.

Mr. Tompeck said the next item is the bill comparison for the month of September 2019 and Barbara Mika will make the presentation.

Barbara Mika, Director of Financial Services presented the bill comparison and monthly update on the comparisons of municipal electric rates in the State of Florida and of the local Treasure Coast utility bills for September 2019. She said the first graph displays the comparison of residential electric rates for 1,000 kWh of consumption for the month of September for the 13 municipal utilities, in the State of Florida that are members of the All-Requirements Project (ARP). They are displayed and ranked based upon their base bill for 1,000 kWh of consumption. As members of the ARP supply project, these municipalities benefit through the economies of scale and operating as part of a larger group of cities. They experience lower operating costs and the affordability of highly efficient power generation. In the next graph we can see where FPUA ranks among the 13 ARP participants. FPUA's September rates at $108.84, depicted with the yellow bar, ranks FPUA with the 5th lowest utility rate of this group. Also presented in this comparison, by the blue bar, is the relative position FPUA would hold with the additional $2 per kWh approved PCA decrease which went into effect on December 1st. Mrs. Mika said the next graph displays the September comparison of Florida residential electric rates for that same level of consumption and includes all of the municipal utilities in the state. She said the data for all of the graphs has been compiled by Florida Municipal Electric Association (FMEA). FPUA's September bill for this level of consumption at $108.84 has improved our standing among the other municipalities by three positions to the left.

Mrs. Mika said September brought rate decreases for half of the 13 ARP and a third of the 32 municipal utilities. She said the overall effect was decreases in the averages for both the ARP and the municipal utilities and FPUA is below both of these averages in addition to the IOU average for September. In this comparison, which includes all 32 municipal utilities, the relative position for FPUA in blue includes the December 1st PCA adjustment. The next graph presents a

similar comparison of municipal utility bills within the State of Florida for the consumption of 2,500 kWh. In this comparison, FPUA's September bill at $274.80 has improved by two positions to the left since last month. The averages for this level of consumption for all three of these groups reflect the same changes that were noted on the 1,000 kWh bill. FPUA's bill for September falls below the averages for the ARP and the IOU and is less than $1 apart from the municipal average of $273.90. We can also see the impact of the December approved rate decrease which went into effect this week. The table displayed is the September comparison of the average residential utility bills on the Treasure Coast. The comparison includes the bills for electric, water, and wastewater services that a residential customer with average consumption would have experienced if they resided in one of these service territories. These figures include all of the applicable taxes and fees and have been verified to actual bills. In this comparison, the electric services are provided by FP&L for all bills except for the first column for Fort Pierce which represents customers within FPUA service territory that live inside city limits. The only change to these local service billings for September was to the FPUA electric service bill which decreased by $3.07 with the implementation of the PCA decrease which went into effect September 1st. This item is for information only and requires no action on your part. However, if you have any questions Mrs. Mika said she would be happy to address them.

Ms. Cavalcanti said she has a question of John Tompeck. She has asked this before, but cannot remember the answer and it seems like the people that are in the ARP end up paying kind of like a premium versus those that are not in the ARP.

Mr. Tompeck asked if she is talking about within FMPA.

Ms. Cavalcanti said if you look at the graphs and we are in the ARP, we are further down and there are fewer of the red ones, ARP. She said it seems if you are not in the ARP, then you have a better chance of having a lower rate.

Mr. Tompeck said if you look at the overall graph which has the FMPA Members and the ARP members, and all the utilities in the State, you will see FPUA is still in pretty good shape. He said we are not paying any kind of a premium to be in the ARP.

Ms. Cavalcanti said she is not saying we are paying a premium, just that if we are in the ARP you end up having higher costs.

Mr. Tompeck said he does not think so. He will write something up and give her a little bit more detail.

Ms. Cavalcanti said he did not have to. She said if you look, FPUA is number six with all the reds, but when we are in the ARP, you only see four of the people within the ARP compared to everybody else that is not in the ARP. Looking at the graph displayed, all the reds are over to her right.

Mr. Tompeck said right and once again you have Key West which is an ARP member and they are the highest in the state. He said you have Gainesville who is not an ARP member and they are second highest in the state. You have kind of a mix there, but he sees what Ms. Cavalcanti is thinking about, you see a lot of red bars to the right of us. It is not necessarily a trend, it just happens to be that way right now. Each one of the members has the opportunity to control their controllable cost rather than the $79.52 rate, obviously there are cost on top of the FPUA charges. We have been able to keep those as controllable as possible.

Mayor Hudson said when we are in the ARP you own a bigger piece of the action and are a bigger contributor to them than the other companies.

Mr. Tompeck said he is not sure what Mayor Hudson means by bigger contributor.

Mayor Hudson asked what All Requirements means.

Mr. Tompeck said All Requirements means if you are a member of the ARP, you take all of your power from FMPA, you have no choice. He said that is a combination of FMPA generation, we have a stake in Stanton and St. Lucie, which is an excluded resource, but we still have to take that power. That power is priced a little bit differently than some of the other power. Although the nuclear power now is priced very well.

Ms. Cavalcanti asked if we are also using coal.

Mr. Tompeck said Stanton is coal.

Ms. Cavalcanti asked if that is higher now or lower.

Mr. Tompeck said he thinks right now, it is a little bit higher, but it really depends on the price of natural gas. He said sometimes natural gas swings a little bit higher and then they take more power from the coal units.

Ms. Cavalcanti said the reason she is asking, is because it seems a few years back, there was a guy here and they presented the Board with all kinds of data. She said it looked like the coal plant even after they were completely paid for, they were not going to cash flow.

Mr. Tompeck said if you will recall when they did the Vero Beach sale, part of the money FMPA got from the Vero Beach sale was to offset any additional costs by taking more of the coal units. He said every month they take an allowance like $31 Million to $32 Million and that will soon turn around because most of that is because of the debt owed on Stanton. The debt is going to be retired in the next few years and then it will be a lot more equal. It is not the cost of fuel that is driving the price of electricity from Stanton, it is their debt.

Ms. Cavalcanti said thank you very much, it is clear as mud.

Mr. Tompeck said he will give it a better try.

Mrs. Mika asked if there was anything Ms. Cavalcanti would like to see presented. She said they present the same information all the time.

Ms. Cavalcanti said no, she needed an education on the ARP.

Mayor Hudson said same for her.

Ms. Cavalcanti asked if we could get out of the ARP, just out of curiosity.

Mr. Tompeck said we could, but it would take a while.

Ms. Cavalcanti asked if it was like Vero Beach leaving.

Mr. Tompeck said Vero Beach opted out of FMPA completely. He said you can opt out of the ARP, but it really would not save FPUA any money.

Mayor Hudson said you need to tell us what the benefits versus the other companies who are not in it.

Ms. Cavalcanti said it is a moot point because we cannot get out of it.

Mayor Hudson said wishful thinking.

Mr. Tompeck said the difference is FPUA knows where our power is coming from and we know what the cost is. He said if you are not in the ARP, you have a different way of getting your power. You may have a Purchase Power Agreement or some other vehicle to get power to you. Depending on how that is priced is whether you are higher or lower.

Mayor Hudson said it is sort of a monopoly the other way.

Mr. Tompeck said it is and some of the non-ARP members in FMPA actually do buy power from FMPA. He said if we have excess power, we have worked out some agreements with some of them to sell them power. Anytime you can sell excess power, it is going to reduce our bill.

Mayor Hudson said our cost is reduced and they are still members. She asked what membership does get for them if they are not ARP members.

Mr. Tompeck said they are part of the organization and they participate in some of the other projects that are not necessarily part of the ARP. He said some of those members participate in the St. Lucie Project or the Stanton Project or Tri-cities. We have a bunch of other projects they may participate in. Most recently, some of those members have participated in the solar projects and are not just part of the ARP in terms of taking all of their power from FMPA.

Attorney Koblegard said he just went through on the non-ARP cities and compared that to those that are ARP and they are lower than nine and higher than ten, so it is a 50/50 split. He did not average them because that is beyond his capabilities sitting here.

Mr. Tompeck said the next item is the status report on the PCA for October 2019 and Barbara Mika will make the presentation.

Mrs. Mika said she is here today to provide information about October's power cost and updated projections through October 2020. 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 October was billed to FPUA at the rate of $63.36 for 1,000kWh, this is an increase of $3.42 as compared to the billing for September. The over-recovery from the customer for the month of October totaled $148,160 and the cumulative over-recovery as of October 31, 2019, was almost $4.8 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 October and November is negative $8.00 per kWh falling off to negative $10.00 per kWh effective December 1st. The blue bars represent actual amounts over-recovered while the orange bars depict what the over-recovery would be if the projections are correct. These projections are prepared by Raftelis Financial Consultants, which in turn are based on projections prepared by Florida Municipal Power Agency. Mrs. Mika said since the September forecast, FMPA's estimate of the cost of purchased power for the upcoming 12 months has decreased by 0.2%. She said due to the cumulative over-recovery from FPUA's customers, no change to the Power Cost Adjustment is recommended at this time. This item is for information only and requires no action on your part.

Mayor Hudson said so we are at $4.7 million over recovery and asked if that was correct. She asked what the policy is for over and under recovery.

Ms. Cavalcanti said $5 million, but we are going down next month to -$10.

Mayor Hudson said this month.

Ms. Cavalcanti said December.

Mayor Hudson said we are getting close to our line and asked if that is right.

Mrs. Mika said the projections are looking like it will trend that way come around March or May. She said the projections are updated each month so we will see.

Mayor Hudson said what she is asking is there a chance to lower the PCA even more.

Mr. Tompeck said the answer is yes. He said we would like to wait another month or two and see how it comes out. The other thing we may need to start thinking about and is not something he wants to bring up, but we have been running at a negative PCA since March or April 2018. It may be time to consider putting some of the PCA back into the rate similar to what we did several years ago. It is a torturous process, but right now we have been over a year and almost two years of paying distribution on money FPUA is not receiving. We may want to take a look at that in the near future.

Attorney Koblegard asked the Mayor if the City has thought any more about the joint meeting with the County on regionalization and the City's annexations north.

Mayor Hudson asked if he said joint meeting with the County.

Attorney Koblegard said yes and asked if they had thought any more about it.

Mayor Hudson asked on the regionalization and annexation.

Attorney Koblegard said you all said something about annexation north of the canal and they came back and said yes they will talk about that and they wanted to talk about regionalization too.

Mayor Hudson said they did not say they wanted to talk about annexation, they said they wanted to talk about regionalization.

Attorney Koblegard said you all went to them and said you would like to talk about annexation and they came back yes that, plus regionalization.

Mayor Hudson said she does not think the City has anything on the horizon because they are not interested in any kind of annexation. She said what the City is doing is one at a time. Last night they did 28 annexations and many of them up in the Paradise Park area. That was the area the City identified they wanted to take as a bulk, which is north of Avenue P, east of 25th Street, and south of St. Lucie Boulevard. We had identified that to the County and said the City wanted to take that whole slot, but the County had absolutely no interest in doing that. The Mayor asked Mr. Mimms if he had heard anything more.

Mr. Mimms said no.

Mayor Hudson said what they decided to do is they are not taking that off the table, but are just going to do annexations one at a time when they have signed agreements.

Attorney Koblegard said they are still busy processing the annexation agreements.

Mayor Hudson said right and they are going to try and keep it going.

Attorney Koblegard said they are really coming in.

Mayor Hudson said they are going to try and do it on a regular basis and kind of a strategic basis. She said since we could not do it that way, we are going to do it this way.

Mr. Bey asked the Mayor what has spurred this recent annexation activity, what has been the cause.

Mayor Hudson said actually the City was always interested in annexation, but for different staffing reasons and different strategies. She said they have now got it back on track and they should have been doing it all along.

Mr. Mimms said from a City perspective, we are always trying to square off our boundaries so that way we can deliver our service without any type of inconsistencies. He said in order for them to square off their boundaries, once properties have become contiguous and have a voluntary annexation agreement, we are now trying to annex them, commercial, residential, and institutional. We are now moving forward by annexation policies. The Interlocal Service Boundary Agreement that the City proposed to St. Lucie County was convoluted by adding the regionalization of utilities. Now that discussion has completely ceased, so he does not know what is going on. Mr. Mimms said the City is going to move forward with annexations just as they have in recent years. He said they are going to push ahead and try to square off the City boundaries. It will be a slower process, but it is an efficient process.

Attorney Koblegard said he changed the terminology in the annexation agreements. He said it used to be just for the location they were requesting water or sewer. It was changed to where they say the parcel they asking about together with anything contiguous thereto, both now and in the future. Mr. Koblegard said he does not check on that, but it might pay for the City to look into that some time because you may have already grown from that agreement to areas around it.

Mayor Hudson asked Mr. Koblegard when he changed it.

Attorney Koblegard said it has been over a year, he thinks. He said he ran it by the City Attorney at that time and he said he thought it was a good idea, so we did it.

Mr. Mimms said the City of Fort Pierce in conjunction with the St. Lucie County EOC is happy to notify the public there is a cold weather shelter that will be open tonight from 4:00 p.m. to 8:00 a.m. at the In the Image of Christ facility at 707 North 7th Street. It also will be open 4:00 p.m. Wednesday through 8:00 a.m. Thursday to provide cold weather shelter for our residents.

Mr. Matthews asked if that was the old hospital area.

Mr. Mimms said it is.

Mayor Hudson congratulated Jason Mittler on his new position as FPUAnet Manager, good job.

There being no further business, the meeting was adjourned.

ATTEST:

SECRETARY

CHAIRMAN