MINUTES OF A REGULAR MEETING OF THE FORT PIERCE UTILITIES AUTHORITY, TUESDAY, December 4, 2018, 4:00 P.M., CITY COMMISSION CHAMBERS.

Members Present: Chairman Darryl Thomas-Bey; Vice Chairman Glynda Cavalcanti; Secretary Daniel DeIulio; Deputy Secretary Charlie Frank Matthews; Mayor Linda Hudson; and Mike Reals, Acting Ex-Officio Member/City Manager.

Others present: John K. Tompeck, Director of Utilities; Rupert N. Koblegard III, FPUA Attorney; Nina Penick, Director of Financial Services; Paul Jakubczak, Director of Electric & Gas Systems; Bo Hutchinson, Director of Water/Wastewater Systems; Javier Cisneros, Director of Utility Support Services; and Lois A. Wolfe, Human Resources Manager.

The meeting was called to order by Chairman Bey.

Opening Prayer was by Richard Mutterback of Water/Wastewater Engineering.

The Pledge of Allegiance was recited.

The roll was called and a quorum declared.

Chairman Bey asked if there was anything to be removed or added to the agenda.

Mr. Tompeck said he has a walk on Item G-6 which the Board has in front of them that he would like to add to the agenda.

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

A motion was made by Mr. Matthews, seconded by Mayor Hudson, and unanimously carried to approve the Minutes of the Regular Meeting of November 20, 2018.

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

1. Approve Post Budgeted Project/Budget Request for System Improvement work on South 7th Street, between Wendell Road and South 10th Street, in the amount of $87,400.

2. Approve Post Budget Project Request and Budget Transfer of $52,000 for system improvements and new service at 1000 Harbor Street.

3. Approve Post Budgeted Project/Budget Request for $51,657 for Air Handler Replacement at the Energy Services Center.

4. ITB No. 18-11: Approve Amendment No. 1 to the Air Handler Replacement Contract with Hill York Service Corporation, of Fort Lauderdale, Florida, which revises the end date of the contract from September 30, 2018 to December 31, 2018.

A letter was received from Governor Rick Scott thanking FPUA for helping restore power to Florida families, visitors, and businesses after Hurricane Michael made landfall.

Javy Cisneros, Director of Utility Support Services, presented an update on the Identity Theft Detection and Prevention Program FACT Act (2003). He said over the past few years, we have reviewed the identity theft and prevention program in great detail, but this year the presentation will be more of a high level overview with a few Key Performance Indicators (KPI) to get an insider's perspective of how FPUA protects our customers' and employees' information. The agenda for today will be to describe the FactAct. We will discuss the type of theft and fraud FPUA deals with on a daily basis and will identify the members of Privacy Committee that review the policy and any incidents. Identifying theft and prevention at FPUA is a team effort and we will review a few red flags that are very common at FPUA. Last, we will spend some time on a few KPIs again to get an insiders perspective. Mr. Cisneros said the FACTAct was passed in November 2003, the Fair and Accurate Credit Transaction Act. He said the FACTAct is an amendment to the Fair Credit Reporting Act and the act contains provisions to help reduce identity theft such as the ability for individuals to place alerts on their credit history, if identity theft is suspected or being deploying overseas in the military, therefore making it more difficult to open fraudulent credit. Some of the common types of thefts FPUA experiences is financial such as paying with fraudulent credit cards or money. We also have character theft, a person trying to open an account using someone else's social security number or driver's license. There are people who will move into a house with a fake lease agreement, which is common practice for house squatters. Folks will pay their bill with invalid medical vouchers or some other type of voucher. Last but certainly not least especially in today's world, we have cyber security theft. Mr. Cisneros said as mentioned earlier, identity theft and prevention is a team effort. The Privacy Committee provides leadership and direction required to maintain the appropriate resources to protect our customers' and employees' information. The team members are the Director of Utilities who provides overall leadership for FPUA, Director of Utility Support Services is the Privacy Officer and provides oversight for the committee, Finance Director provides the oversight for FPUA funds, Customer Service Manager oversees the day to day operation for existing and new accounts to include billing and collection, ITS Manager oversees the day to day operations of the data and network security systems, Human Resources Manager oversees all of our employee's related information, and FPUA Attorney provides insights on State Statutes and Legal Ruling. A Red Flag is a pattern or specific activity that indicates possible theft. A quick recap on examples that have been mentioned include, address discrepancies, consumer report flags, altered lease agreements, social security discrepancies, authorized signatories, and dishonored payments. Mr. Cisneros said a full list of red flags are provided in the program and Mrs. Mazzarella can get a copy to the Board if you would like a copy at a later date. He said review of a few KPIs shows on the screen

is a fraudulent payment using a medical voucher and a promissory note from a local church. FPUA quickly picked up on the fact that both of these forms were not valid because they were faxed from the local supply store and not from the organization list on the voucher. Nonetheless, FPUA still contacted the Moffit Center and they confirmed the voucher was not valid for the individual. The second attempt from the same person one month later was a voucher from a local church so FPUA contacted the church and they did not approve it because it was fake. Both of these attempts were in October and November of this year so just a few months ago. Mr. Cisneros said another KPI is currency fraud. He said FPUA was able to catch the 100 dollar bill displayed that looks very realistic, but is only valid at your local movie theatre. This popcorn currency was turned over to the Secret Service. Since FPUA has a good percentage of cash payments, we are constantly on our toes to identify currency fraud. Another KPI is cyber security and displayed is a quick snapshot from the ITS group. Over the past month FPUA has prevented 32 attacks on our system. The cyber threats come from all over the world. We've had attempts from Central America, South America, Europe, the Middle East, Russia, and Southeast Asia. Again, this is just over the past months with no cyber-related incidents. FPUA also had some attempts related to our employee's information where we have had five false unemployment claims with employees that are still working at FPUA or have retired so they were not valid unemployment claims. We have had three attempts to change checking account information and in all the cases our internal controls prevented theft. Mr. Cisneros said in summary, we did not have any successful fraud incidents related to customers or employees for 2018 to date. He said FPUA contributes that success to our Identity Theft and Prevention Program. A few more items to note, specifically for our customers watching this presentation, FPUA uses a 3rd party vendor for payment processing so FPUA does not store any customer payment information onsite. Again for our customers watching this presentation, if you have any questions about your account or suspect identity theft, please call us and we will gladly assist with your account. You can reach us at 772-466-1600. Mr. Cisneros said this is an information item only and would be happy to answer any questions.

Mayor Hudson said this was good information and is glad FPUA is watching out for this.

Mr. Tompeck said it is important that while we have a strong program that our customer service folks and ITS folks do a great job. He said you do not hear of ITS unless they screw up and in all cases they have done a terrific job here.

Mr. Cisneros said he would like to thank the Finance Department because he was one of those checking account requests and luckily he still got his paycheck.

Mr. Bey said good job to Javy.

Larry Lammers, Supervising Engineer in Electric & Gas Engineering, presented the NERC Compliance 2018 Update. He said this is a yearly presentation and FPUA is required to do this every year to make sure our leadership is up to date with any regulatory requirements that have changed. Nothing much has changed, but at the very least the Board gets a refresher of what

Fort Pierce is required to do. The basic questions related in this situation is why, who, where, and what. For the why, we will start with 1965 where that was a widespread outage where over 30 million people lost electricity. This happened in the northeastern United States in Ontario and was such a big deal that there were TV programs asking "where were you when the power went out". Then if we fast forward to 1977 in New York City, over 9 million people lost electricity and the economy was not doing so hot at the time during that summer and that summer was known as the Son of Sam Summer. Society was on edge already so when New Your City lost power in that situation, there were riots and looting going on. People got hurt and not only citizens, but law enforcement officers. In 2003, what Mr. Lammers would call the straw that broke the camel's back over 50 million customers lost power. That was in the northeastern United States in Ontario. When that happened the Federal Energy Regulatory Commission said enough is enough and at some point they have to start looking at the electric grid holistically and make sure these types of events do not continue to happen. They commissioned the North America Electrical Reliability Corporation (NERC) who already existed and already had requirements in place, but they were optional. You did not have to follow them if you did not want to. They were kind of looked at as industry best practices. The result of what the Federal Energy Regulatory Commission (FERC) came up with is to have NERC put together some standards, something that will make the electric grid safe and reliable. NERC came up with rules and standards and created regions that are responsible for enforcing all of those standards on the entities that are within those certain regions. The two Mr. Lammers would like to point out are the Florida Reliability Coordinating Council (FRCC) and the Southeastern Electric Reliability Council (SERC). Since the inception of NERC being commissioned by FERC to make sure we have a reliable electric grid, we have fallen under the enforcement jurisdiction of FRCC, which is highlighted in red. As of last month, FRCC decided to relegate that enforcement authority to SERC. Sometime early next year or the middle of next year that transition is going to take place. FPUA has had discussions with FMPA employees and other sister utilities and nobody now thinks it is going to have a practical impact on a utility such as ourselves, but it is something we are paying attention to and have to be aware of. Displayed is an outline of the Compliance Team, our Senior Manager is the Director of Electric and Gas Systems, the Compliance Lead is the Supervising Engineer, then there are three Team Members, and Subject Matter Experts we rely on to make sure we are doing everything the right way and that it is properly documented so we can show NERC or the enforcement agencies as proof.

Mr. Lammers said FPUA has two different registrations with NERC and every entity that is connected to the electric system has to register. He said the two registries FPUA has is Distribution Provider (DP) for the 13.2kV distribution and the 69kV transmission between FPUA substations and Transmission Owner (TO) for the 138kV line that goes between our Garden City Substation and the City of Vero Beach's County Line Substation, which will soon be owned by FPL and will be renamed to the Julia Substation. NERC has determined FPUA is a Low Impact Utility meaning there is not much FPUA can do to significantly impact the bulk electric system. That has implications for how many rules and requirements FPUA has to follow. Displayed is an outline of the Hartman Substation outlined in red and is the 138 volt lines, the yellow lines are the 69kV, and the blue lines are the 13.2kv. The main thing displayed here is the high voltage side of that substation, FPUA owns it, but FPL operates it and maintains it for us. That is important because,

if we were to own and operate that portion of the substation, we would become designated as a transmission operator. Right now FPUA is a Distribution Provider and a Transmission Owner and if we operated that, we would then be a Transmission Operator. FPUA has a little over 300 rules and requirements we have to follow and document and if we became a Transmission Operator, we would have another 300 or more rules we would be required to follow and document. It is a pretty big administrative burden for that number of requirements so we would have to invest more resources into our documentation in order to stay up to the regulatory standards and requirements. Some of the different activities that have been occurring in the compliance realm is we had an Inherent Risk Assessment (IRA) done by FRCC, which is done periodically. The document they gave FPUA basically states they analyzed our utility and this assessment is good for the time period between January 1, 2019 and December 31, 2021. They did the assessment on answers FPUA submitted and a questionnaire they gave us. After they gave us the assessment, they came up with the compliance oversight plan. First they figure out how much of a reliability FPUA is to the bulk electric grid, which is what the IRA does and once they figure out how much of a reliability it was, then they gave us a plan of what kind of documentation we would have to submit to them based on how big of a risk we are. Because they decided FPUA is not a very big risk to the bulk electric system, the Compliance Oversight plan they gave us after the IRA was done, was very minimal. In the past, we have had to submit tons and tons of documentation, but over the next two years, we will not have to submit much. It is basically three requirements that we have to submit documentation for as opposed in the past over a two or three year period we may have to submit documentation for 20 or 30 requirements. The regulatory agencies have decided FPUA does not pose that big of a risk and therefore they do not want to put that administrative burden on us to prove that to them. Even though FPUA is not going to be submitting a lot of documentation to them to prove we are doing what we are supposed to do, we are still required to follow all the rules and regulations regardless of how much of a microscope we are under. FPUA has different ways to make sure we are continuously doing that. We have periodic data submittals, Senior Management is given the task of giving spot checks, and making sure all of our documentation is in order. The main thing FPUA does is participate in peer reviews. Other utilities will give us their documentation as it relates to certain requirements and we look at it and will ask them to consider a change here or there because this is something an auditor may look for. By the same token FPUA also gives our documentation to other sister utilities so they can review it to make sure we are doing everything the right way. Mr. Lammers said this is an information only item and will be happy to answer any questions.

Mayor Hudson asked about FPUA going to the southeast SERC as opposed to the Florida, which Mr. Lammers mentioned it is something FPUA has been discussing. She asked why, if it is to be in a bigger group or did somebody in Florida not want to do it anymore.

Mr. Lammers said he does not have all of the details associated with that, but from what he understands there are certain roles FRCC is playing. He said they are responsible for making sure all the utilities work together to have a reliable grid for the State of Florida. They are responsible for enforcing the rules so what he understands is there is a little bit of a conflict. They allowed the enforcement portion to go to SERC and they are keeping the reliability portion under FRCC.

There are some details Mr. Lammers said he does not have, but if Mayor Hudson is interested he will get the information to her.

Mayor Hudson said no she was just curious.

Rachel Tennant, MOEC Manager, gave an update on the Manatee Observation and Education Center (MOEC), which is for information only. She thanked the Board for giving her an opportunity to give the Board an annual update on the Manatee Center. Today she will be talking about what they have been up to for the last year and what they are planning to do moving forward. The MOEC has received two new awards this year, TripAdvisor Certificate of Excellence and the Top-Rated Nonprofit through GreatNonprofits.org with our partner Treasure Coast Manatee Foundation. The MOEC is nominated for Best of Treasure Coast category of Best Tourist Attraction and voting is open until tomorrow. So far in 2018, MOEC has seen 43,000 visitors and students come through the Manatee Center and also through the Education Program. The Education Program includes field trips to the Center and also us bringing environmental education to local schools and child care facilities. This represents an increase of about 1% in visitation to the Manatee Center and an increase of 88% of education students and attendees to our Education Program over 2017. Ms. Tennant said that so far this year we have spotted 326 manatees in Moore's Creek along the Manatee Center. She said this is something we utilize Naturalist Volunteers for where they will walk back and forth along Moore's Creek and across the bridge and count the manatees they see every day when they are present. We have reorganized our staff to increase income potential. Previously the Environmental Educator and the Volunteer Coordinator were part time and we had a full time Development Officer, which was her positon. Instead of replacing Ms. Tennant with a full time Development Officer, we made the Environmental Educator and Volunteer Coordinator full time. This has really allowed them to increase the number of education programs to offer and decrease the amount of time the full time staff has to spend coordinating volunteers. Since we are a small staff of four with a little over 450 volunteers, there was some pretty big time commitments that we no longer have to use for management or our Gift Shop Manager. The Gift Shop Webstore was launched on Cyber Monday so that was last week. The Gift Shop continues to be the number one fundraiser for the Manatee Center and now we are available online as well. This is big for MOEC because a lot of times are sales are bigger during the snowbird season and we have a lot of folks that want to buy things throughout the year, but are not able to. Now we are available on line as well and are looking to see bigger sales next year.

Ms. Tennant said they renewed the Florida Department of State Grant, which she will talk about in a moment. She said MOEC executed their first grant with the Florida Department State of Cultural Affairs last year, which was approximately $7,000 for July 2017 to June 2018 year. That grant is finished and was successfully executed. We were then awarded this project year about $1,600, which was a reduction because of the Florida State budgets and is not representative of MOEC's execution of the grant or request for funds. We have already submitted the proposal for our third year and have gone through the committee process and are eligible for $25,000 and are waiting to see what happens with the Florida budget. Once we are done with all three of these,

which means completely executed and successful, MOEC can request $50,000, which will then double what we are able to get after the budgets are done. It is all pretty dependent on the budget. There has been a lot of growth in financial and program support in the Treasure Coast Manatee Foundation (TCMF). The Foundation is our sister 501C non-profit and they are tasked with fund raising for the Manatee Center and for the programs. This year thanks to TCMF, we are now offering engraved bricks at the entrance to the Manatee walkway. Bricks are $100/each and we are partnering with Main Street Fort Pierce and the Sunrise Theater using the same vendor they use for their bricks so we can all join together and meet the minimum sooner so the engraver can come out more frequently. The Manatee Center 5K is also hosted by the TCMF and it will be the 11th Annual 5K this March. In 2018, the 5K raised over $5,000 after expenses, which represents a 50% increase over what we raised in 2017. In 2017 was also a 50% over what we raised in 2016 so we are setting the bar high for ourselves and looking to do it again this year. Last year there was 150 runners and this year we hope to bring in 200 runners. The main thing about the growth in program and financial support is not only is the Foundation Board very actively fundraising for the Manatee Center, but by actively fund raising they are able to support them in the work they are doing. They have replaced exhibits for the MOEC, got a new tank for their reptile snake Diego, paid for the second half of the generator, and are paying for education programs that other schools and day care facilities cannot pay for themselves. That is income that comes through our education program, but it is also supporting local students and kids.

Ms. Tennant said the big facility update is we now have a full size natural gas generator at the Manatee Center. She said as shown in the pictures the generator has been wrapped and is informative with pictures of manatees on every side. It also shows how to spot a manatee, has pictures of the precious life contained in the Manatee Center that is protected by an FPUA clean and natural gas generator, and on the top it talks about clean natural gas. This is a result of a successful crowd-funding endeavor of #GivingTuesday and TCPalm's 12 Days of Christmas. The MOEC was very lucky and on the front page of the New Year's article TCPalm's 12 Days of Christmas announcing we were fundraising for the generator. This generator is very important because without it, during power outages such as during Hurricane Irma, the filters cannot run in the tanks and aquariums inside the Manatee Center. This means the water is not being cleaned and the fish cannot be fed because the filters are not running because it poses a risk. The AC does not run, which means the building itself heats up and we are kind of cooking the fish. The aim was to protect them from that and ease some of the burden and stress on staff during hurricane season. We did have a big fundraiser for it and #GivingTuesday and the 12 Days of Christmas was through TCMF and MOEC received a very generous match from FPUA that allowed us to also say this will be matched. A $1 donation represents $2 and this would not be here without the community and FPUA and we are very happy for it.

Ms. Tennant said in early in 2018 we added closed captioning to the 17-minute welcome video at the Center, which was paid by the previous Florida State Grant. She said there is a new Florida coral reefs exhibit for inside the center and is in development. It takes a while for the coral reef tanks to get really interesting, but we are adding little by little more and more coral. We are hoping to get more coral tomorrow morning. The indoor and outdoor educational signage is being updated and some of them have to be custom designed and five of the seven have been

replaced. The idea in general is to update them to be sure the information is current and that the MOEC is nice on the inside and the outside. Cedar arbors were donated and hand-designed and installed by Manhandy LLC and East Coast Lumber. Those arbors are in the butterfly garden, which was just installed the last time she presented. There is a volunteer that meets with her once a week and they spend two to three hours out there working with the native plants. It is very beautiful out there and everything is in bloom. Moving forward she is working with the new Education Coordinator who has about 25 years of experience specifically with environmental centers and education. They have developed an interpretive plan for a comprehensive update on the inside of the exhibit hall. They want everything to flow to tell one story when you walk into the Center. Each exhibit will be a chapter of the story and show how it contributes to the overall story. Hopefully at some point this year we will be able to begin this process and start making the updates we are hoping to make. We are pricing a custom design renewal for the 800-gallon tank, which is our biggest tank. At this time, the center of the tank has black walls to cover some of the plumbing. We want that tank to look more like under the dock in the Indian River Lagoon and it will take a little bit of time and will require fundraising. This will be part of the comprehensive update.

Ms. Tennant said the MOEC is an education facility and is run by volunteers. The Education Program this year saw 7,506 school children, 79 summer campers, and a 63% increase in teaching income over FY 17. She believes this is because the position is now full time so we were able to see what we wanted could happen and will continue with this. The 63% increase is for only a partial full time positon, it was not full time a whole year and hopefully this year we will continue to see more growth there. Our Volunteer Program is up as well this year with 155 volunteers and averaging 950 hours per month. Eight of those volunteers have given us over 1,000 hours, five over 2,000 hours, three over 3,000 hours, one over 4,000 hours, and one over 5,000 hours. We continue to develop this core of volunteers that are well dedicated to the Manatee Center, to our cause, and our mission. The Volunteer Program is also leading a new MOEC concessions fundraiser. This is something started last year and has helped us boost a little bit of income through launching this program and we sell concessions through the exhibit hall. MOEC Is #CommunityProud, which is very important to MOEC and are trying very hard to be present in the community and to grow our presence in the community. New this year, we are working alongside the Fort Pierce Yacht Club to host MOEC Eco-Evenings once a month. Ms. Tennant said every third Thursday, they have a 2-hour presentation and social hour where they bring a guest to come speak about more advanced environmental topics that they may otherwise have in their luncheon rooms. Also MOEC has worked with the St. Lucie County Tourism Council and the Treasure Coast Sports Commission to bring the second Firefighter Combat Challenge to the MOEC. This year was MOEC's first time working with them and it went very well and they will be back for Nationals next year. MOEC had a lot of activity and opened up for free admission and try to invite folks that came with their families for the competition to do other things in the area while they were it. It was held in the MOEC parking lot.

Ms. Tennant said MOEC worked with Lincoln Park Academy theater students to join MOEC's Halloween event. Last year there were 250 attendees, which was a lot for the facility, so this year we moved outside, which was good because there were 700 attendees this year. Lincoln

Park Academy students came dressed as zombies and taught kids and parents how to dance the monster mash every half hour. It was a lot of fun and there are a lot of photos on our Website. We are also working on doing a joint environment and arts camp with Lincoln Park to continue the partnership. MOEC works with the St. Lucie County Boys and Girls Club and have a brand new 8-week curriculum by MOEC on the Indian River Lagoon that the MOEC will be hosting at the Garden Terrace Club in Fort Pierce starting this Friday for 8 weeks. This is something being done as part of their 21st Century program and the Treasure Coast Manatee Foundation is paying for them to bring that education program to them. Boys and Girls Club is also going to be hosting their annual Fishing Frenzie at the Manatee Center in August 2019.

Ms. Tennant said they have joined the Downtown Business Association Comcast commercial where they will join together with small businesses in the downtown area to put together a Comcast commercial for Downtown Fort Pierce inviting folks to make a day at the Manatee Center. She said they are submitting another proposal for the Florida Department of State, working on redesigning our membership program with a January kick off to start boosting fund raising opportunities, and currently fundraising to replace Moe the Manatee statue that was stolen a few years ago. Displayed is a picture of Moe who was at the center for about 20 years and with him are students from Florida State University who painted him as part of their alternative spring break program just a couple of months before he was taken. The MOEC receives thank you letters from families after their visits. We have 30 days to replace him and donations can be done on facebook.com. We are working with TCPalm with being the Manatee Center's Christmas wish for this year and hopefully it will be as successful as our generator campaign was. This was an information only item.

Ms. Cavalcanti asked how much it costs to replace Moe.

Ms. Tennant said it will cost $2,000 to replace Moe, which is our initial goal. She said if we can reach that goal, we are aiming for $10,000 so we can add two more manatee statues to the Manatee Center property. We want to add a bit more to the facility if we can.

Mr. Bey said then you are trying to raise $10,000.

Ms. Tennant said that is the ultimate goal, but $2,000 is the minimum so we can replace Moe.

Mr. Matthews said he kind of likes the program so his vision is going to be different and said he has two questions and two suggestions. He asked who is eligible to vote so you can get the award.

Ms. Tennant said it is open on line for anyone to vote. She does not know the website right now, but it is "Best of the Treasure Coast".

Mayor Hudson asked if it is the Indian River Magazine.

Ms. Tennant said yes it is the Indian River Magazine.

Mayor Hudson said she was going to ask the same thing.

Mr. Matthews asked if the grants the MOEC is receiving required matching funds.

Mr. Tompeck said they do not.

Ms. Tennant said they do make them report on everything.

Mr. Tompeck said what Mr. Matthews is asking is if the Manatee Center has to put up matching money and the answer is no.

Ms. Tennant said there is no extra money required from the Center to get the grants. She said because the grants are already at the level they are, MOEC has already surpassed any match if they did require, but no there is no match required.

Mr. Matthews said he has two suggestions, one is there is a lot of grant money and foundations out there and hopefully we can get in touch with one of the foundations. He said the other suggestion is that it might be a good time to have a manatee competition. There are fishing competition and might be time to have a manatee competition.

Ms. Tennant asked what kind.

Mr. Matthews said manatees, get the largest one or the smallest one set a bid down and see whoever gets the money.

Ms. Tennant said one thing they have been talking about through the foundation is a photo competition and we could do something like that. She said manatees are listed as threatened on the endangered species list and we are not allowed to touch them or do anything like that. We could do photos and that is one of their dream projects to do a photo completion and bring more evening programs to the facility.

Mr. Matthews said most people go hunting for alligators and fishing and maybe we can make something out of manatees; he said go take the pictures. One of the communities he was in they had a competition on a car and who holds their hand on the car the longest, they got a benefit from that. We could say who takes the best picture and make a competition of it.

Mayor Hudson asked about the roving volunteers that spot the manatees. She asked if this is people that walk by the center every day for exercise and how do you recruit them.

Ms. Tennant said they are folks that want to look for manatees. She said there are many positions for all their volunteers such as greeters, gift shop assistant, office assistant, and one of those positions is a Roving Naturalist. They stay outside and walk back and forth, talk to folks that come to the Manatee Center on the outside and tell them fun facts about manatees. They are the ones

that look for manatees and they wear their polarized sunglasses. If they see any manatees in Moore's Creek, they will come inside and let everyone know there are manatees outside so everyone can see them.

Mayor Hudson asked how many there are of them.

Ms. Tennant said there are five Roving Naturalist and they come regularly at their set day per week.

Mayor Hudson said that is great and she appreciates Ms. Tennant for coming to the Coffee with the Mayor because that does a lot for promoting the Manatee Center. She said you come faithfully every time and tell them what you are going to do and you are very good at promoting. Mayor Hudson thanked her very much.

Mr. Bey told Rachel she is doing a wonderful job and he has seen a lot of improvement. He said not improvement necessary, but a lot of expansion in projects since she has been there. Mr. Bey thanked her.

Ms. Tennant said thank you and wanted to thank the whole Manatee Center team because the volunteers and staff are what makes this possible.

Mr. Tompeck said the Treasure Cost Energy Center just completed a very successful outage and Ed Leongomez is here to provide the details.

Ed Leongomez, Treasure Coast Energy Center (TCEC) Plant Manager, gave an update on the Fall 2018 Outage Presentation. He said TCEC is owned by Florida Municipal Power Agency (FMPA), which FPUA is a member and operated by FPUA employees and he is one. The picture displayed is the combustion turbine rotor and the first three stages of that rotor. The gas flow goes right to left so the highest temperature is where the lighter colored blades are and the blades are covered with a thermo-barrier coating that prevents the high temperature, which is around 2,450 degrees, from damaging it and allowing it to last. In this case, every three or four years all of the blades except the rotating and stationary are replaced, which is a standard procedure for this type of unit that prevents failure prior to maintenance events. It is just about to go back together on this picture. This story really started last year, the TCEC had a very good year last year and equivalent of availability. That is very important to understand why we focused on outage and availability in trying to get a lot of work done as well as we could get it done. Generally speaking, this slide was provided by FMPA and shows we do a lot with a little, few people, but we get a lot done. We attempt to shorten the planned and unplanned outages as much as possible. It is expensive to have the unit off line whether it is a planned or unplanned event. Mr. Leongomez said he will show what the plan was for the planned outage and this was a very ambitious outage. He said the plan was to get it done in 16 days, it was completed in 16 days, but it was a lot of work that had to be done. As mentioned in the opening slide, it is a hot gas path inspection, which means the replacement of all the hot side equipment and the steam turbine minor

inspection, which really has to do with the steam turbine valves, are the two pieces of the outage that are typically the critical path. They are the longest items they had to deal with and are neck and neck. The heat recovery steam generator or boiler had work that needed to be done, we identified the work in a previous outage that could be deferred to this year. We identified the work, got the parts that were needed, got the people we needed, and put that plan into action. The isophase bus/non-segregated bus, which is basically electrical repairs that needed to be taken care of on the high voltage equipment. Hundreds of pieces of instrumentation that needed to be calibrated throughout the unit had to be addressed. The very important thing is to have higher availability and to make the outages work, we have to plan the outages. There was a list under development for a year and that meant we had to figure out all the ins and outs of what we had to do, how we were going to do it, the interdependencies of different activities, how long they would take, what type of resources were required, how many people, how much material, and anything we could do to optimize the outage. There were rain days and we had a 3-hour delay because of lightning, but we got through it. Mr. Leongomez said after a year of planning, we have 13 employees during 16 outage days, covering 24 hours a day, there were 2,461 hours, and they hung 427 lock out tag out tags and locks. He said those are procedures we have to follow to assure people working on different equipment are safe. There is no hot water, there is no electricity, and no potential in that area for an individual to get hurt on something they are working on. Those are very critical and taken very seriously. There were 34 hot work permits, which were primarily for welding and cutting that could cause a fire. They had to be aware of those kind of things in the area. From the TCEC warehouse they issued over 1,500 parts that we had to get to the contractors and not prevent them from getting their work done when they were ready to do it. There were 149 contractors and they were executing over 900 tasks.

Mr. Leongomez said the slide displayed shows one of the findings which is a typical crack in a first stage nozzle or first row of stationary blades. He said once it is removed from service, it will be sent to the factory to remove the thermal barrier coating, weld repair it, put the thermal barrier coating back on and send it back to TCEC for an additional 32,000 operating hours. Pictured is an example of something that we could not repair, it was a replacement item. You can see the divot in the valve stem exhibiting the effects of steam erosion; it is high pressure steam of about 2,300 psi, 1,050 degrees that just cut the medal right out of there. Pictured are two contractors about forty-five feet high on a suspended scaffold inside the heat recovery steam generator or inside the boiler. There is a baffle in the center that prevented exhaust gas flow from bypassing the tubes that was replaced. It helps us keep the efficiency of the unit up. That particular distorted material was identified in a previous inspection outage called the planned check outage. There is a tendency to only show photos of the problem items and in this photo the problem item is on the left and on the right is a repair by Rick Hall of FPUA who did a very nice job getting that all cleaned up. That was specialty work that we are fortunate to have available at FPUA. Pictured is a transmitter that was somehow working, but very likely would not be working much longer. This dramatically demonstrates why you want to examine the transmitters at least once every two years. We had an unplanned outage last year that related to the water supply and a power plant without water cannot run. The team worked together and figured out where they needed to isolate the piping so they did not have the problem again. They eliminated the well water leaks in the piping as a potential cause for outages. It does not eliminate leaks, but it eliminates

taking the unit offline. Because we didn't have every square inch of the site covered in people and equipment, our gas supplier helped us out by digging up the dry detention area to examine the gas pipeline coatings. It was a long trench 35' deep and the picture shows the well points that prevents the water from getting into the trench. They dewatered the area so they could get to the gas pipeline and find the problem with the coating that they took care of. Mr. Leongomez said there are quite a few challenges just because of the scale of things over at the plant. The cooling tower has an 18,400 square foot basin that collects all the dirt and dusts. The cooling tower has an updraft that draws in all the dirt, dust, and papers and all of that needs to be cleaned out periodically. It is a job requiring brooms, hoses, people, and time to complete. There was a 20,000 pound circulating water pump motor that had to be sent out for refurbishment. It was operating, but we wanted to be sure we did not have any problems. It required a man-lift that is pictured, for de-terminating and re-terminating, a crane to lift it, and a flatbed truck to ship it to and from the motor shop. Every outage has its obstacles to overcome, some foreseen. The control system upgrade that required a day without the control system and the water supply reliability improvements that required a water shutdown. There was one day without water and one day without power. We had a good plan that included items like contractor parking, laydown areas, and work zones. Everything in the power plant is large and there was a tendency for groups working to spread out so we had to be very disciplined to keep everyone in their respected work areas. The level of difficulty was high and this was the most complicated, busiest, most intense outage in ten years. We got the good outcome and you can see the intensity did not stop when the outage was over. The picture displayed shows that everybody is focused on getting the unit back on line and running again. The true outcome will not be understood for a couple of weeks or months. We will see if the work we planned had the intended outcome and we will find out soon enough. It is a big step to get through the first week or two and we are in the second week. Everything is running just nice. This is an information only presentation.

Mayor Hudson asked if he is going to start planning tomorrow for the next one and asked when the next outage is planned.

Mr. Leongomez said that sounds funny, but he has already started making the list for the next time. He said they try to understand and he has directed everybody to make their list. If they have any down time, they are going to address those things. We have to be very aggressive and really attack any kind of items that cause problems.

Mayor Hudson asked if it would be one or two years.

Mr. Leongomez said the next large outage is four years or 32,000 hours, but the next small outage will be in about one year.

Mayor Hudson said this is a 10-year event.

Mr. Leongomez said we actually had an event of similar size in 2011 and although there is some additional work he was trying to compare, that outage was 30 days, but it had some additional scope and it is hard to compare. He said there were some additional activities in this one. There

was a very large outage in 2015, which was a 50-day outage. This was a big one from the standpoint of intensity throughout the 16 days.

Mayor Hudson asked if any of the contractors were local or were they brought in from other places.

Mr. Leongomez said the contractors were from everywhere. He said there were some local folks, but one of our larger contracts General Electric brought folks in from all over the State. There were welders that were local that were working in the boiler. Mr. Leongomez said he cannot really say because he was not looking to see where they were from, but for the most part they were Florida people working these jobs.

Mayor Hudson said it was very impressive and thanked Mr. Leongomez.

Mr. Tompeck said this was a significant achievement and FMPA was very happy with the effort and the outcome.

Mr. Bey thanked Ed.

Barbara Mika, Finance Controller, presented the monthly updates on the Electric Rate Comparison and the Local Bill Comparison for the month of October 2018. She said the graph displays the comparison of Residential Electric Rates for 1,000kWh of consumption for the month of October for the 13 municipal utilities in the State of Florida that are members of the "All-Requirements Project". FPUA's position stands out and is shown in yellow. As a members of the All-Requirements Power supply project, FPUA benefits as part of a larger group of cities through lower operating costs, and the ability to plan for future operations with lower risk. In this graph it is easier to see where FPUA ranks among the 13 ARP participants. FPUA has the 6th lowest rate of this group and at $111.84, we are below the ARP average and less than a dollar off of the municipal average. This graph displays the comparison of Florida Residential Electric Rates for the month of October for all of the municipal utilities in the State of Florida for the average residential usage of 1,000kWh. The data for all these graphs have been compiled by Florida Municipal Electric Association (FMEA). FPUA's October bill for this level of consumption is down by $2 since September and our standing has improved by two positions among the other 32 municipal utilities in this graph. Mrs. Mika said she will point out a few items on the billing rate changes that have occurred since September. She said of the 13 ARP participating utilities, 10 experienced rate changes with 7 of those 10 being rate decreases. The average decrease was $4.20 and the impact of all of the ARP rate changes decreased the average by $1.59 from last month of the ARP. Among the 20 Non-ARP cities there were 10 cities that had rate changes with an overall impact on the Non-ARP average of an increase of $2.93. The next graph displays a similar comparison of municipal utility bills within the state for the consumption of 2,500kWh. In this comparison, FPUA's October bill at $282.30 has improved by two positions since September. FPUA's October bill for the 2,500kWh of consumption is 12% lower than the average bill for the Investor Owned Utilities at $322.22. The table displayed before you is the October comparison

of local Treasure Coast residential utility bills. Included in this comparison are the total of utility bills for electric, water, and wastewater services that an average residential customer would have experienced if they resided in each of these service territories. In addition to the regularly displayed bill amounts for the cities of Fort Pierce, Port St. Lucie, Vero Beach, and the areas serviced by County Utility services of St. Lucie County and Martin County, we have included the billed amounts for customers residing inside the city limits of Fort Pierce that have water or water/wastewater services from FPUA, but receive their electric utility services from FPL. That information was requested at the last FPUA Board meeting. The bill totals in this table include all of the taxes and fees that are applicable in each of these municipalities. Staff has verified the calculation of these average bills to actual bills. Since this comparison was last presented, the electric bill for FPUA decreased by $2.05 for the $2 PCA adjustment. There were no changes to any of the other electric bills presented. FPUA's bill for the electric services only is lower than Vero Beach by $13.93. On the water and wastewater services billed, FPUA's rate increases for those services resulted in the average bill increasing by $2.61. Vero Beach's water and wastewater bill total increased $6.78 since last month. This item is for information only and requires no action on your part. However, if you have any questions Mrs. Mika would be happy to address them.

Ms. Cavalcanti asked how many people fall into that category of FPL customers inside the City of Fort Pierce.

Mrs. Mika said slightly over 1,200 customers.

Ms. Cavalcanti asked how many customers in the City of Fort Pierce for electric.

Mrs. Mika said she would have to get a count on the inside for the total.

Mr. Tompeck asked Paul what the total is.

Mr. Jakubczak said about 28,000.

Mrs. Mika asked if that is just inside the City.

Mr. Jakubczak said you would have to take out the 1,200.

Ms. Cavalcanti asked if it was 28,000 plus 1,200.

Mayor Hudson said minus 1,200.

Ms. Cavalcanti asked how they determine where those lines are, how do you get to be an FPL customer.

Mrs. Mika said territorial lines.

Mr. Jakubczak said it is all based on service territory maps that are approved by the PSC. He said it depends on how the line was drawn when FPL and FPUA came up with an agreement is where the dividing line is. You could be on one side of the street and have FPUA and on the other side have FPL and that is an approval that has gone through PSC. As the City expands out, we get more and more customers based on how those territorial agreements are set up.

Mr. Tompeck said the walk-on item has to do with the jointly owned Fort Pierce/Vero Beach tie-line which we have talked about in the past. He said we currently have an Asset Purchase Agreement to sell our portion of the line to FPL after the FPL/Vero Beach sale has been completed. This agreement in front of you has to do with Vero's portion of the line. Based on the tie-line agreement we have in force with Vero Beach currently, Vero Beach cannot sell their portion of the line without giving FPUA the right of first refusal to acquire the line. Since we obviously do not wish to exercise our right to purchase the line, we need to sign the waiver so FPL can acquire the line as part of the overall FPL/Vero Beach sale. The FPL/Vero Beach sale closing is anticipated for December 17th. The closing for our sale of the line is anticipated for December 19th. Staff is requesting the Board's approval of this waiver.

Mr. Matthews asked if the recommendation is from Mr. Tompeck.

Mr. Tompeck said the recommendation is to approve the waiver.

A motion was made by Mayor Hudson, seconded by Mr. Matthew, and unanimously approved the attached letter from the City of Vero Beach stating FPUA waives its Right of First Refusal for the Fort Pierce-Vero Beach Tie Line subject to the Closing occurring as of the Effective Time and having the Chairman and Secretary sign. Terms are defined in the letter.

Mr. Tompeck said today he sent out an email with a draft letter to the County addressing the issues that were brought up in their November 2nd letter. He said subsequent to that letter, we did meet with Howard Tipton and his staff and talked over some of the issues. Since the item is associated with the water/wastewater issues and the Bulk Agreement is a tri-party agreement essentially between the City, the County, and FPUA, he wanted to make sure the Board had a chance to review those. A copy was also sent to Mr. Mimms for his review. Mr. Tompeck said once everyone has a chance to review it and if you have any questions, call him and if not let him know that you have no comments.

Mr. Tompeck said he will be addressing the City Commission on December 17th. He said if there are any particular issues the Board would like him to cover with the City, please let him know.

Mr. Reals said he did not have any comments and thanked the Board for allowing him to sit up here this evening. He said he hoped they found his comments to be helpful.

Mayor Hudson thanked FPUA for their participation in the Christmas parade, every year they do a really bang up job and they bring Santa Clause who is very important to the children. She thanked Javy and the other Kiwanians who worked very hard to make sure that parade is done well. She appreciates it very much. Now that Mike Reals is here she can say Public Works works very hard too and are unsung heroes in the City of Fort Pierce.

Mr. Bey said that is only because he is here that you are saying that.

Mayor Hudson said yes and next time when Mr. Mimms is here, there will be a different department

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Mr. Matthews said since we have parade spirit, he thinks it would be nice if we get ready to plan for the Martin Luther King parade in January. He said that is a good advertisement and friendly business for the community that we serve. He would like to see at least two members in that parade.

Mr. Bey asked Mr. Tompeck if that is something FPUA participates in.

Mr. Tompeck said he will check and get back with the Board on that.

There being no further business, the meeting was adjourned.

ATTEST:

SECRETARY

CHAIRMAN