MINUTES OF A REGULAR MEETING OF THE FORT PIERCE UTILITIES AUTHORITY, TUESDAY, December 18, 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 Jack Andrews, 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 Alice Ladomirak of the Treasure Coast Energy Center.

The Pledge of Allegiance was recited.

The roll was called and a quorum declared.

Chairman Bey asked if there was any items 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 and is the FPL closing documents. He has a packet and will go through them when we get there.

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

A motion was made by Ms. Cavalcanti, seconded by Mr. Matthews, and unanimously carried to approve the Minutes of the Regular Meeting of December 4, 2018.

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

1. Approval of a Budget Transfer in the amount of $90,000 for the Avenue A Water Main Replacement Project.

2. Approve a Budget Transfer in the amount of $115,000 for the Avenue B Water Main Replacement Project.

3. Approve a Budget Transfer in the amount of $105,000 for the Avenue I and Loop to Avenue J Water Main Replacement Project.

4. Approve Post Budgeted Project/Budget Request for $32,145 for Energy Services Center Front Entrance Hurricane Roll-up Door.

5. POA 19-30: Approve the sole source purchase of switch parts and replacement bearings for the Causeway Substation in an amount not to exceed $28,425 from Southern States, LLC, of Hampton, Georgia.

6. RFP 17-32: Approve Contract Amendment No. 1 with Hennis Construction Co., Inc., of Port Saint Lucie, Florida, to increase the not-to-exceed contract amount from $14,165 to $27,665 annually, for removal and installation of exterior doors for the Weatherization and Educational Outreach Program.

7. POA 19-21: Approve the sole source Contract with CROM, LLC dba CROM Coatings and Restorations, of Gainesville, Florida, in an amount not to exceed $80,000 annually for CROM Maintenance Service. The initial term of this Contract will be from December 19, 2018 to December 18, 2021, with two one-year renewal options.

Shamekia Hanna of Fort Pierce sent a comment card thanking Raul Barrera of Customer Service for his kind and helpful service with her high bill complaint.

Bill Kaeff of Electric T&D presented the item for a 55-foot material handler bucket truck. He said this truck is from Altec Industries in the amount of $252,419 using the GSA Contract. This will be replacing the current truck that is a 2007 55-foot utility handler bucket with 70,000 miles and over 14,000 operating hours on it currently. He said he is available to answer any questions.

Mr. Matthews said he was going to do this at the end of the meeting, but guesses he can do it now. He asked if there is any consideration for trying to shop local where we have Stamm's and some others.

Mr. Kaeff said we have been using Altec Industries for all their trucks so we can standardize our fleet, which makes it easier on FPUA's Fleet Maintenance. He said if we have problems with the trucks, we have only one person to call, which is Altec Industries. We are very pleased with their performance of the vehicles we have been using from them.

A motion was made by Ms. Cavalcanti, seconded by Mayor Hudson, and unanimously carried to approve POA 19-19: The purchase of a 55 foot Material Handler Bucket Truck in the amount of $252,419 from Altec Industries, Inc. of Birmingham, Alabama, under GSA Contract #GS-30F-026GA.

Eric Winterstein, Facilities and Fleet Superintendent presented the item for new trucks. He said he is requesting approval for the purchase of five Ford vehicles from Alan Jay Ford Lincoln Mercury of Sebring under Sourcewell, formerly the National Joint Powers Alliance. Three of the vehicles will be compressed natural gas vehicles and we cannot get them locally. The other two vehicles are diesel and they will be going out to the Water Reclamation Facility. The cost of the vehicles is $221,125 for all five of them. The three that will be compressed natural gas will be joining the fleet of seven of bi-fuel vehicles that we already have. One that is a carryover from last year will make a total of eleven natural gas vehicles. We have five fueling stations at this time.

A motion was made by Mayor Hudson, seconded by Ms. Cavalcanti, and unanimously carried to approve POA No. 19-26: The purchase of a 2019 Ford F-150 Super Cab XL 2wd Bi-Fuel CNG truck in the amount of $40,373, a 2019 Ford F-150 Super Cab XL 4wd 145" WB Bi-Fuel CNG truck in the amount of $44,062, a 2019 Ford F-150 Super Cab XL 4wd 157" WB Bi-Fuel CNG truck in the amount of $44,062, and two 2019 Ford F-350 Regular Cab XL 4wd Diesel Fuel trucks, each in the amount of $43,994, from Alan Jay Ford Lincoln Mercury, Inc., of Sebring, Florida, totaling $221,125, under the Sourcewell, formerly National Joint Powers Alliance, Contract No. 2019-120716-NAF.

Mr. Tompeck said we will have a presentation on the new C&G Filling Station in January.

David Green, FPUAnet Communications Manager gave an update on FPUAnet. He passed a fiber sample for the Board to look at and said it is a fiber that runs throughout the City and we have about 65 miles of it. The cable consists of colored buffer tubes and the green buffer tube is stripped back to show the individual fiber strands. Mr. Green said he will now show a brief video about how fiber optic cables work and how the light is actually transmitted through them. He apologized because it is a bit technical and hopefully they will get a brief message about it at the end. The video by Production Team Bill Hammack, Niek Ziech, and Patrick Ryan was presented. Mr. Green said the takeaway from that video is that we are sending phenomenal amounts of information that is basically based on Morris Code of voluminous ones and zeros traveling through the cable that just passes a light, but phenomenal amounts of it. The initiative has come a long way and we have lots of it right here in Fort Pierce. The FPUAnet team consists of himself in which he takes care of the overall project, mostly involves sales and some of the engineering of the events as well. Tamera Gallucci takes care of customer service, which is pretty much customer facing and handles any customer issues and works on some of the billing. Keena McIntyre does the backend and takes care of our books and accounting. We currently have 65 miles of fiber throughout the City and it extends a little bit beyond that towards the Turnpike as well. We power communications for FPUA, utilities, and local businesses with internet connectivity and site to site connectivity. FPUA uses single mode fiber that is a little bit thinner than multimode and travels better distances. Over these cables we can send, use access to websites, emailing, messaging, telephone, video conferencing, and more. FPUA products are for dedicated internet where we can connect a business to the internet with fiber optic cable. We

do bandwidth connections and have a large network, actually four of them. These four networks allow businesses to connect to businesses, point to point and are monitored by our local team. FPUA also provides dark fiber, which are fiber links between locations. Fiber pairs run between a company to have the ultimate in security and nothing runs on it but the information. FPUA does wireless point to point signals as well as Wi-Fi or anything you would use with your cell phone or your wireless computer. FPUA's value is different than our competitors and we have tremendous reliability, it is actually huge comparatively speaking. We have self-healing loops, which means each switch at a customer location actually has two pass out so when one fails or has a challenge traffic is automatically directed to the other. FPUA has a wonderful team of local engineers and ITS that supports these sites and it is done 24/7/365 monitoring. There are multiple internet service providers so if one goes down or has latency or slowness we can provide automatic failover. All of this is powered by Cisco equipment, which is best in the industry and a standard. Our customers are actually kind of on the upper end and we do FPUA corporate and utilities out of necessity for us to communicate between utility substations for an example and the corporate offices. We also supply connections to government, law enforcement, schools, manufacturing, and some local businesses. Mr. Green said since he has been here and he started back in May, they have been working on fiber mapping. He said they are mapping every piece of fiber within the City to assure we know exactly where it goes, to recover quickly if there is some kind of damage or outage, and to be able to expand our business rapidly. We are doing a combination of physical mapping, the actual strands themselves, and logical mapping, how the light flows within the strands themselves. Staff is perfecting installation procedures so we can provide customers with very high quality connections and establish them very quickly and minimize any downtime. Expansion is key and now that we have set this framework with this baseline, we can actually go out for business. We are working on sales and marketing and have recently released fpua.net as a new website. Thanks to a highly skilled local team, our services are very reliable. FPUA currently uses active Ethernet, which is the self-healing loop process described earlier. The next step is GPON, which is gigabit passive optical network and is a little bit different. We can actually split the fiber signal and do not have to have the rings of loop, bringing the costs down and hopefully getting us to work in larger areas and be able to spread out to much more smaller businesses and look into more of those mom/pop businesses. GPON is a multi-point access, which is really the way of the future. Mr. Green said this presentation was for information only and was highly technical; he apologized and offered to answer any questions.

Ms. Cavalcanti said she noticed all the customers FPUA has are government, schools, and that kind of thing. She asked if FPUA does small businesses.

Mr. Green said FPUA is a step above in price and yes we do small businesses and would like to connect any business that would have us. He said it is a little bit more expensive to bring the two sides of the loop in and the Cisco switch so it is a bit more than the average internet connection. It would be to more upscale businesses that could afford that type of needs and high reliability. It is a matter of dollars and common sense on the customer's part whether they want that reliability or can only afford so much.

Ms. Cavalcanti said when you say you are more expensive, she asked if he is talking 100% more expensive or 20% more expensive.

Mr. Green said it is a difficult question to answer, but a good one. He said unfortunately it depends how close FPUA is to the customer. Our fiber is actually spliced together, which means it comes together in pieces at points. If a customer is near a splice point, it is very effective to get to them in a short run, just from a telephone pole into the building. If FPUA is miles away it is a different story. Mr. Green said they did the Sunshine Kitchen project when he first came on and that was quite a run. He said they took it hundreds of feet from one location and brought into a large cross connect and that was quite expensive. It really depends on the situation. He is now looking at all FPUA's splice points and canvasing all of those local businesses to try to attract them quickly.

Mayor Hudson asked what an upscale business is or for him to give an example of what he is talking about. She asked if it was a large business, a brokerage firm, or what is it.

Mr. Green said he finds them by knocking on doors and he visits the businesses. He said typically when he walks into an office that is really full of five people that may not be the one for us because our competition would be at a much lower price and provide copper connections which are very cheap and easy to get to. When he walks into a business and it has a showroom, a receptionist, and he is greeted with a cup of coffee or something that is a little different. That is where we are more today.

Mayor Hudson asked about a car dealership.

Mr. Green said could be.

Mayor Hudson said then the upscale could be for security reasons too, more security with FPUA's service than with perhaps with the average internet service in a small business.

Mr. Green said yes and thank you. He said we can provide a point to point connection assuming a company has two locations. We can connect from one point to another and share services between them and the master point goes out to the internet. It would be one internet connection and one firewall and yet they share services securely between two locations so it is highly secure.

Mayor Hudson said from what she remembers from before is that FPUA has customers beyond St. Lucie County boundary.

Mr. Green said we do and are hoping for more.

Mayor Hudson asked if our area is the Treasure Coast.

Mr. Green said it is as far as he can take it. He is looking from Vero Beach to the north and people to the south and would like to see FPUA connect everywhere, to attract customers and make FPUA more valuable and part of the community, and to have backup and redundancy. If Vero Beach has some big failure, they could connect to us and vice versus. We could spread the wealth and the fail over.

Mayor Hudson said earlier in a meeting we were told at long range planning or strategic planning that we might want to become a Smart City. She asked if this is the guts of being a Smart City.

Mr. Green said absolutely, this is kind of the baseline for it, if you will. He said working on the Smart City, one of the things FPUA is looking at downtown where everything is below ground, it makes it very difficult for fiber, but we do have some there. He will work with electric and the folks that power the street lights to see if he can bring in things like small cell and do some wireless. Thinking outside the box so we can reach as many locations as absolutely possible.

Mayor Hudson asked if 5g fits into this.

Mr. Green said it is part of the small cell he mentioned. He said FPUA currently has big cell, which is the big huge towers and are ugly and services a lot of people. There are little tiny ones that you may find on top of a street light. It is a little cellular network that may support 50 users instead of 100s and he would like to bring that downtown.

Mayor Hudson said she has exhausted what she knows about what Mr. Green just said.

Mr. DeIulio said Mr. Green referred to locations near splice points and asked if he owned two businesses in the City of Fort Pierce and one is right next to a manufacturing plant that already has our service and the other business owner is nowhere near it, would his cost be the same for either location or is it a fact he would get a cheaper rate if he is located right next to someone that is already an existing customer.

Mr. Green said the rate for the local service closest point is pretty easy, it may be a short run underground or aerial to make it really easy. He said if we have to run some distance, we would have to work that out. He would have to look at your distant location, see who else he can attract there to try and keep the price low. If he could get five businesses near Mr. DeIulio and spread the word and attract more customers, the cost to reach is a lot lower and that is what he does now.

Mr. Matthews said he has the flip side of that concern and said suppose a company goes out of business and a second person goes in there, would they get a similar charge for the rate since the system is already there to that building.

Mr. Green said FPUA does it contractually, so if a business has a contract with FPUA and moves out, it would not affect the neighbors.

Mr. DeIulio said if in five years from now, we have five times the customers we have now, the assumption would be it would be cheaper overall for all of those customers as the system expands.

Mr. Green said as the system expands, believe it or not, the costs actually goes down. He said as the bandwidth for internet increases, the cost per gig goes down so growth is a good thing. If you have a business existing and you want to buy one over here to connect to it, hopefully as FPUA expands and is right nearby, the cost to connect is real cheap.

Mr. DeIulio asked the term of the contracts.

Mr. Green said it varies depending on the company and he goes for five years because that is where he feels most comfortable. He said sometimes companies may demand less and he tries to keep it flexible.

Mr. Bey asked where we are with providing service at the airport, service and the speed that some customers out there need in order to do their business.

Mr. Green said the airport is one of his favorite places and we are currently on the east side. He said FPUA has it fairly well done and he would like to spread out more. FPUA does have fiber running out through Industrial Avenue and all those areas over there. The trick for him now is the airport on the center location where the admin offices are, there is one connection we have there and he would like to build that. The trick is actually the west side and if he can get down Hammond Road and attract some business there that will take him west to further expand to the industrial parks out there. He can hit them with easements and that would be great for FPUA and he is looking forward to that.

Mr. Bey said from what he understands, there are some businesses out there that are having to buy the service from other local companies, but that service does not provide them with the speed they need to do their business. He said hopefully, FPUA can get that done for them.

Mr. Green said it does not provide them the speed or reliability and he currently has some wireless point to point service out there now. He would like to replace that with fiber.

Mayor Hudson asked if we have annexation agreements with those customers.

Mr. Green said he does not know about annexation agreements.

Mr. Tompeck said a good thought, but no.

Mr. DeIulio asked if this is all underground.

Mr. Green said it is a combination aerial and underground and sometimes it is more economical to use existing poles and underground is a little bit expensive, but more reliable and a little bit more stormproof. He said with underground, they do have to popup every 1,000 feet so it is a little bit more costly. With underground, we have to do directional bore, which is expensive.

Mr. Matthews asked if service for the Federal Courthouse service would be underground.

Mr. Green said he would prefer something of that secure nature to be underground. He said he cannot speak directly to customers because that is a security issue. Highly secure information is best to be underground and he does not publish our maps so people will not know where it is for security reasons.

Mr. Tompeck said we are taking a look and reviewing our business model to see if there is a way FPUA can reduce some of the initial cost. He said hopefully we can make it a little bit more competitive to give us a little more ability to expand.

Michele Harris, Finance Assistant Controllers, presented the FY 2018 Capital Budget carryover amounts. She said at the end of each fiscal year, funding for some capital projects remain unspent. In June of 2018, the Board approved authorization for staff to carryover budgeted funds for partially completed projects which remain from FY 2018 and spend those funds in FY 2019 without additional Board approval. The FY 2018 capital budget carryover is slightly over $2.5 million. This is consistent with last year's carryover of $2 million plus we had to come to the Board and ask for an additional amount of $500,000 of contingency. The report you were provided in your Board packets contains those projects requiring carry over funding, the amounts spent on each of these projects as of September 30, budget amounts to be carried over, and percentage complete. Mrs. Harris said some notable updates on the major projects; projects such as Midway Road, US 1 and Kings Hwy are multi-year projects required by FDOT. She said FPUA's completion is dependent on their contractor's timelines. The IWRF Emergency Standby Generator, which will provide a 2nd source of power mandated by the consent order from the EPA is expected to be completed before fiscal year end. The Board recently approved in September a design/build contractor to perform the improvements for Lift Station E and is expected to be completed by fiscal year end. The replacement and rehab of the water and wastewater infrastructure on Avenue M is on track to be completed very soon. Mrs. Harris said two items on that list have actually already been completed in the first quarter of FY 2019. The CNG filing station at the Energy Services Center (ESC) and the replacement of the Key Card Access Control System at the ESC have been completed. The process of carrying over budgeted funds reduces double budgeting on projects that cross over multiple years. Because we budget by project and these projects are already included in the FY 2018 – FY 2023 Capital Improvement Plan, these amounts for these projects were already calculated in developing rates. So, the $2.5 million carryover has no additional impact on rates. This item is an information only item and Mrs. Harris said she would be glad to address any questions.

Mr. DeIulio said partially completed projects, there are some vehicles on the list that he is guessing we placed an order on and have not come in yet.

Mrs. Harris said that is correct.

Mr. DeIulio said then we really do not have any money tied up in them.

Mrs. Harris said they were on order before fiscal year end and have not arrived yet.

Mayor Hudson said when the budget is created, these monies are not new monies, and these are already in there. She said they are just carried over.

Mrs. Harris said that is correct, they are budgeted in the original FY 2018 budget and because they remain unspent all we are doing is just carrying them over into the new fiscal year.

Mayor Hudson said there is no increase.

Mrs. Harris said no increase whatsoever.

Mr. DeIulio asked if this changes the way we are doing this and asked if it makes it better for doing the budgeting when preparing the budget from year to year.

Mrs. Harris said it prevents the double budgeting. She said the way we used to do it in the past, if vehicles had not come in, the department would have to find the budget by taking money away from other projects and create projects or they would have to get additional funding. Now we are just carrying it over.

Mr. DeIulio said it is more seamless then.

Mrs. Harris said we are getting there.

Mayor Hudson said it is more accurate with what is left.

Mrs. Harris said everything starts on October 1st and ends on September 30 and things will just keep carrying over.

Nina Penick, Director of Financial Services, presented the status report on Electric Power Cost Adjustment for November 2018. She said she will provide November's power cost and updated projections through November 2019. 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 total cost of power purchased from FMPA for the month of November was billed to FPUA at the rate of $78.89 for 1,000kWh, an increase of $12.55 as

compared to October. The over-recovery from the customer for the month of November totaled $75,389 and the cumulative over-recovery was a little over $5 million as of November 30, 2018. In the chart displayed, the dark blue line represent the PCA and the bars represent the balance of the PCA over- or under-recovery. The blue bars represent actual amounts and the orange bars depict what the over-recovery would be if the projections are correct. These projections are prepared by Public Resources Management Group, which in turn are based on projections prepared by Florida Municipal Power Agency. Since October's forecast FMPA's estimate of the cost of purchased power for the upcoming 12 months increased 2.4%. Due to the cumulative over recovery from FPUA's customers no change to the Power Cost Adjustment is recommended at this time. Mrs. Penick said since this agenda item was prepared, the price of natural gas has dropped in a manner similar to the price increase that occurred after last month's agenda was prepared. Last month after the agenda item was prepared the price jumped and this month it is the exact opposite, the prices have dropped. As a result, the chart displayed shows the projected power costs over recovery. The green line is where we were last month, the red line represents where we are today. In the small gap, there was a projected over recovery for the month of November and it turned out to be an under recovery. It was a swing of about $358,000 in one month so these are big numbers she is talking about. Mrs. Penick said a kind of neat thing is that even with the lower projections, they are still pretty much between the $1 million and $4 million line, so we are still hanging in there at this point. She said it does appear based on current projections that leaving the PCA at a negative $5 will result in an over recovery, but will only be slightly below the $1 million floor in August 2019. That is a long way away and so many things can happen between now and then. We continue to not look beyond 12 months because we cannot rely on those projects. At this time, staff is not recommending any change to the PCA and is happy to answer any questions.

Mr. Tompeck said the key issue that Nina has touched on is when the projection was run, if we ran that projection today, the new line would be somewhere in between the green and red line. He said the price of gas has dropped from $4.70 to where today it is $3.70 and that is a big difference.

Mr. DeIulio said in the past Ms. Cavalcanti has been adamant about not raising the rates in the summer so if we are in between the red and green, he would assume if everything else stayed the same, we would not be put in a position of having to raise rates during the summer. He said if that was a fair assessment.

Ms. Penick said that is absolutely the case and if she backs up a slide, you need to remember we also have the $1 million set aside so we do not have to knee jerk react to higher prices whenever they maybe. She said next summer is pretty much where it looks it is going to bottom out, but we should not have to touch it at that point. It changes every month so we cannot really tell and hopefully it will get better. The prices where the red line is were high based on current history and not long term history. Hopefully things will moderate out especially after the winter season up north and hopefully the natural gas prices will moderate back to a more normal level.

Mr. DeIulio said it is nice to know this going into the holidays.

Mr. Tompeck said the next item is the walk on item for FPL/FPUA sales agree and asset purchase agreement. He said the Board has several documents in front of them that he will run through and explain them. The simplest one to run through and is why he is allowed to do it is the Bill of Sale. Essentially, this is just what it says, FPUA is transferring our assets to FPL. As of Monday these are FPL assets and no longer FPUA assets. They will do their part of the bargain and transfer money to FPUA and that is being done in accordance with the Asset Purchase Agreement, which the Board has reviewed. The Board has also reviewed Amendment 1 and there is a second amendment to that, which will be discussed shortly. The transfer of the assets is in accordance with the agreement and that is why you do not see all the details here on the Bill of Sale. Mr. Tompeck said he has talked with FPL today and they are perfectly okay with us going ahead and signing this today. He said we are looking at some caveats here and hoping we may be able to close this as early as Friday and FPL is interested in closing this deal this year. FPUA is interested in getting $2.4 million anytime. The first thing is someone needs to make a motion to accept the Bill of Sale.

<u>A motion was made by Ms. Cavalcanti, seconded by Mayor Hudson, and unanimously carried to accept the Bill of Sale and Assignment as presented by Mr. Tompeck.</u>

Mr. Tompeck said he is going to take this a little bit out of order because it makes sense to do so. He said the next item we should chat about briefly is the Second Amendment to the Asset Purchase Agreement. He said Paul Jakubczak will present the details there. The key thing here is these are not what he would consider substantial changes, they are changes to correct some of the things in the early original Asset Purchase Agreement.

Mayor Hudson asked if this was going to require a separate vote.

Mr. Tompeck said yes.

Paul Jakubczak, Director of Electric & Gas Systems, said he is asking for approval of Amendment #2 to the Asset Purchase Agreement with FPL for the property that was discussed earlier. He said for simplistic sake he gave the Board a map to make it easier to understand who owns what property so you know which ones FPUA is deeding over their half interest of those properties to FPL. If you look at the map, Sections 1 and 2 are the ones wholly owned by Vero Beach. Back in 2016 we did a little change to the Tie Line Agreement to where originally FPUA owned portions north of the substation and they own portions south of the substation. We corrected that in 2016 to where they own completely north of the substation and FPUA owns completely south of the sub. Items 1 and 2 was totally taken care of by the transaction that FPL and Vero Beach had last week. Sections 3 and 4, which is the substation line going out to Emerson, those were joint owned by Vero Beach and Fort Pierce. Those are some of the properties we have half interest in

and that is part of the Asset Sale Agreement. FPUA does not have any use for that line to the substation and is why we are selling our half interest to FPL. Sections 5 and 6 are still going to be owned by FPUA, which is our Garden City to County Line Substation. It is our second entry point to the 138 besides the Hartman Substation. This amendment clarifies some of the descriptions that were put together when FPL started looking at the Chicago Title and saw there was a few discrepancies between the way the legal description we had put in the original Asset Agreement and the descriptions that came through from Chicago Title. That clarifies that a little bit. Mr. Jakubczak said one of the other things they had in there as well and this just came up about 15 or 20 minutes ago, is part of what FPL wants to do since Vero Beach has already deeded some of these properties to FPL, the three properties that we have an easement on right now south of the sub go to US 1, they wish for us to deed our interest into those with the agreement they will give us an exclusive easements across those properties. This works best he believes to our interest if we can get this all completed and this came out with an email about 10 or 15 minutes ago. He said he would be happy to answer any questions the Board has regarding the deed we have our interest in or any of these easements. He said it has been an enjoyable last couple of days looking at easement and no offense to Mr. Koblegard but working with attorneys.

Mayor Hudson asked Mr. Jakubczak to say the last thing he said again because she was not following him. She said there were three things.

Mr. Jakubczak said when we did our agreement with Vero Beach in 2016 we failed to transfer the ownership of interest of those properties to FPUA and to Vero Beach.

Mayor Hudson asked if he was talking about 5 and 6.

Mr. Jakubczak said no, if you look at number 4 where the substation is, that part goes from the substation out to US 1, there are three properties across there that are in the Clap family name. It is just a short section and does not include the entire section of 5, just the short little section that goes across to US 1.

Mr. Matthews asked if what the email Mr. Jakubczak received is what they are considering too.

Mr. Jakubczak said if you read the way the amendment reads, it talks about deeding all of our interest to them and they will give us exclusive rights to those easements.

Mayor Hudson asked if both of those things are in this document.

Mr. Jakubczak said yes.

Mayor Hudson said they can't say after we sign this document that they are not going to do that.

Mr. Jakubczak said correct, one of the things they talked about is 90 days after closing, we will finalize all the easement documents and everything else as well. He said there is another

agreement that Mr. Koblegard will go over, which is the post-closing obligations and that will be included in there as well.

Mayor Hudson asked if Mr. Koblegard is aware of the last change.

Attorney Koblegard said yes he is.

Mayor Hudson asked if he is okay with that.

Attorney Koblegard said it clears up a lot. He asked if 5 and 6 is what they wanted us to convey to them and is that what Exhibit C was.

Mr. Jakubczak said 5 and 6 is all of FPUA's. He said there is that small section that comes right out of the substation and goes to US 1 that is part of section 5. Those are the easements we currently hold the deed to for our 50% interest, which they want to get because they already have 50% interest from Vero Beach.

A motion was made by Mayor Hudson, seconded by Mr. Matthews, and unanimously carried to approve the Second Amendment to Asset Purchase Agreement.

Mr. Tompeck said the next part of this is Resolution No. UA 2018-13 and this has to do with asking the City to execute two Special Warranty Deeds that are currently in their name. He said we need to have the Mayor and the City Commissioners to agree to meet on Thursday in a Special Meeting to approve that. It is so we can transfer the deeds to FPL. Mr. Tompeck said maybe Mr. Koblegard can enhance that poor description.

Attorney Koblegard said it is pretty straightforward what Mr. Tompeck said. He said this is that any property that we "so call" own is titled in the name of the City of Fort Pierce for the use and benefit of Fort Pierce Utility Authority. FPUA cannot convey property, we have to ask the City to do that for us. This is a resolution that is pretty straight forward that says FPUA is authorizing and requesting the City of Fort Pierce to execute certain deeds in the Fort Pierce Utility's behalf in favor of Florida Power and Light, pursuant to the Asset Purchase Agreement entered into between FPUA and FPL. That is the agreement and the amendment that you just approved is attached hereto. Attorney Koblegard said all he did in here is set out in the whereas that we are going to sell this property to them, whereas the title to Fort Pierce Utility Authority's real property is titled in the name of the City, whereas it is necessary for the City of Fort Pierce to execute the two Special Warranty Deeds attached hereto as Exhibits A and B on the behalf of the Utility Authority in order to transfer the FPUA's interest in those parcels to FPL. It is resolved for the Utility Authority to adopt this resolution asking the City to sign the attached two Special Warranty Deeds dealing in the property that FPUA owns a half interest in right now. It is deeded to us by Vero back in 1994 as Exhibit A and properties all in Indian River County and that is why there are two deeds. The second one is Exhibit B attached and those parcels are all in St. Lucie

County. We will record one deed in Indian River County and one in St. Lucie County. Those Special Warranty Deeds, Mr. Koblegard said he has gone over them with the City Attorney, Mr. Bryan, and he has approved the form. Attorney Koblegard said he does not think Mr. Bryan is concerned about the resolution and he will give him a copy of it. He said tomorrow he will draft the City's resolution for them for the City's approval and as Mr. Bryan is requiring the Hold Harmless Agreement that we will sign for the City to release them from any responsibility if anything that might arise as a result of them actually conveying the property from us to FPL. We have not done that yet and will agree on the form in the morning, but that is part of the agreement so to speak to get the City to agree to handle this for us on an expedited basis, which they are doing. He is asking the Board to approve this resolution that is asking the City to sign these two deeds on our behalf at their Special Meeting on Thursday.

Mr. Matthews said he has a question for the attorney. He said he sees his friend sitting out there and this seems to him should be a signature for the City to approve it.

Attorney Koblegard said that is what it is. He said if you look at the Special Warranty Deeds.

Mr. Matthews said the Mayor is the second signature.

Attorney Koblegard said the deeds will be signed if the City approves it by the Mayor and attested to by the City Clerk. He said that is the way they sign documents and is why it is prepared that way.

Mayor Hudson said she does not know if it is important, but since it is a legal document sometimes it says Fort Pierce Utilities Authority and sometimes we say Fort Pierce Utility Authority so it should be uniform.

Attorney Koblegard said yes he sees it in the first whereas we did not use utilities.

The Mayor said it is in another place also, she will find it.

Mr. Matthews asked if the Special Meeting is for signatures and that is all.

Mayor Hudson said the Special Meeting is to take this resolution as presented and for the City Commission to discuss it and then signatures will come later.

Buck Bryan said he is the very temporary Attorney for the City of Fort Pierce.

Mayor Hudson said like the last one.

Attorney Bryan said the one thing he wants to be certain of Mr. Koblegard is that somebody has the authority to sign this waiver of the Hold Harmless Agreement. He said basically, his advice to

the City is we do not care what you are asking us to do and will probably go along with anything you ask us to do as long as we have an absolutely teetotal Hold Harmless Agreement.

Mayor Hudson said no risk.

Attorney Bryan said no risk.

Attorney Koblegard said he was going to get to that.

Attorney Bryan apologized and said they were making a motion and he thought they were about to finish.

Attorney Koblegard said there is more and Buck is right. He said he is going to prepare a standard form Hold Harmless Agreement, but does not have it yet. We are working on it, but was working all day yesterday on these. If the Board will give him the permission to prepare that, get the City Attorney to approve it, and then have it signed sometime tomorrow by the Chairman and Secretary. It will be a standard form and basically what it says if anything arises as a result of the City signing these Special Warranty Deeds on our behalf, we will cover, we will take care of it. The City is not out anything as a result of signing these two deeds for us, if that is okay.

Mayor Hudson said that is a standard format that attorneys use for Hold Harmless.

Attorney Koblegard said yes.

Mayor Hudson said if we approved this resolution are we approving that.

Attorney Koblegard said he was going to ask to do that separately because he does not have it here right now. He said there is still another document that he will be asking for them to approve. It is really just the resolution right now. Attorney Koblegard said he will make sure the resolution has the utilities all read the same in the document.

Mr. Tompeck asked Mrs. Mazzarella to read the title of the resolution into the record.

Florinda Mazzarella, Executive Assistant for the Director of Utilities, read the title of Resolution No. UA 2018-13 into the record as follows: "A resolution of the Fort Pierce Utilities Authority, authorizing and requesting the City of Fort Pierce to execute certain deeds on the Fort Pierce Utilities Authority's behalf in favor of Florida Power and Light, Inc., pursuant to the Asset Purchase Agreement entered into between the Fort Pierce Utilities Authority and Florida Power and Light, Inc. and providing for an effective date."

Mr. Matthews said he is concerned that we have three different and possibly a fourth if we do the Hold Harmless, he believes it would be proper for this Board to approve separately instead of by one combined motion.

Mayor Hudson said she was going to move for the Resolution UA 2018-13.

A motion was made by Mayor Hudson, seconded by Ms. Cavalcanti, and unanimously carried to approve Resolution No. UA 2018-13.

Mr. Tompeck said the next item will be the Owner's Affidavit and Mr. Koblegard is going to present that.

Attorney Koblegard said this is a standard Owner's Affidavit that is usually signed today even if it is a closing on your house. He said it basically says there is no outstanding contract for the sale of the property and the two Special Warranty Deeds is what he is referring to. There are no liens, encumbrances, there are no improvements made upon the property with the past 90 days, there is not matters pending against the Seller which could rise to a lien, there are no judgments, claims, disputes, demands, the seller is the sole constructive or actual possession of the property and no other person has any right to possession, and the Seller represents that are no violations of governmental laws. Attorney Koblegard said then there is the NB, which is the certificate and request to the taxpayer's identification number, which we have included on this. It is basically saying that we are not a foreign country or foreign corporation, that we are domestic and that we are asking Chicago Title to insure this on behalf of FPL based upon our signing this Owner's Affidavit. Attached to it are the two separate parcels that are in the Special Deeds.

A motion was made by Ms. Cavalcanti, seconded by Mr. DeIulio, and unanimously carried to approve the Owner's Affidavit, Non-Foreign Certificate, and Request for Taxpayer Identification Number.

Attorney Koblegard said the last item we are asking the Board to approve and the Chairman and Secretary to sign is a standard Hold Harmless Agreement for the City of Fort Pierce for handling the actual signing of the deeds on our behalf.

A motion was made by Mayor Hudson, seconded by Mr. Matthews, and unanimously carried to have the Board to approve and the Chairman and Secretary to sign is a standard Hold Harmless Agreement for the City of Fort Pierce for handling the actual signing of the deeds on our behalf.

Mayor Hudson said those documents will go to the City Thursday when they have a Special Meeting.

Attorney Koblegard said those documents will be in the hands of the City Attorney tomorrow along with a resolution for the City, the Hold Harmless, and the two Special Deeds.

Mrs. Mazzarella said to Mr. Koblegard that there is one more letter from FPL, the Post-Closing Obligation for the Board to sign. She said you said we would need a motion for that, it is the two page document with the FPL logo on it.

Mr. Tompeck said he believes it has to do with the non-exclusive easement.

Attorney Koblegard said it is actually our form and the form we normally execute when we get an easement on someone else's property that is what was attached to this.

Mr. Bey asked if we need to be concerned with this form at this point.

Attorney Koblegard said he need to ask Paul a question.

Mr. Tompeck said it is just like a regular house closing.

Mayor Hudson said things get done at the last minute.

Attorney Koblegard said since the actual easement agreement working on with them at a later date as he understands it, he asked Paul if we needed to sign the Post-Closing today.

Mr. Jakubczak said the only reason they had submitted this is to make sure that it is a legal document they have to put together those easements afterwards. He said it is kind of like turning over your garage door opener after closing, you have to give it to them.

Mr. Tompeck asked if we have to sign it now.

Mr. Jakubczak said it would be beneficial if we go ahead and sign it for them.

Mr. Tompeck asked him to explain it very quickly to the Board.

Attorney Koblegard said we just got this right before the meeting.

Mr. Jakubczak said we just got this right before the meeting and from his understanding this says they will provide us what they say they are provide us. He said that is what the Post-Closing Obligation states.

Mayor Hudson said it is dated Friday.

Mr. Jakubczak said that is when the closing is supposed to be.

Mr. DeIulio asked if that is in their packet.

Mrs. Mazzarella said it was handed out before the meeting.

Mayor Hudson asked Mr. Koblegard if this requires a motion.

Attorney Koblegard said it does because it needs to be signed by the Chairman and Secretary.

A motion was made by Mayor Hudson, seconded by Mr. Matthews, and unanimously carried to approve the Post-Closing Obligations letter from FPL.

Mr. Matthews asked if there is going to be any special attendance by FPL to the Special Meeting.

Mayor Hudson said she has not thought about it, but she will issue the invitation.

Mr. Tompeck said he does not know if it is necessary because it is not the closing, this is just getting the deeds approved.

Mayor Hudson said she does not mind issuing the invitation.

Attorney Koblegard said our next conference call with them is 8:30 tomorrow morning.

Mr. Tompeck apologized for throwing all this at once to the Board. He said it is like a house closing with a lot of last minute details and we have handled most of them here.

Mr. Tompeck said he would like, with the Board's approval to cancel the January 1st meeting. He said the meeting was going to be moved to January 2nd and we have pushed most of the critical items into this agenda. It is hard to put together a package over the holiday so with the Board's approval we would like to cancel that with the next Board meeting being January 15th.

A motion was made by Ms. Cavalcanti, seconded by Mayor Hudson, and unanimously carried to approve the cancelation of the January 1st meeting.

Mr. Tompeck said he is happy to report we received $372,500 from FEMA from Hurricane Francis.

Mayor Hudson asked if that was 2004.

Mr. Tompeck said yes 2004. He said this will officially close out the 2004 hurricanes which is nice. Finance did a very good job, particularly Barbara Mika in pursuing this final payment and we appreciate her perseverance.

Mayor Hudson said that is what was required.

Mr. Tompeck wished everybody a happy and safe holiday.

Ms. Cavalcanti said thank you and said same to you and to everybody out there.

Attorney Koblegard said he remembers four or five years ago discussing this trying to get the money from FEMA. He said he does not know if there is any from 2005 or what, but whatever it was someday if we do, he will let them know.

Mayor Hudson said Mr. Tompeck presented to the City Commission last night, it was very well received, very informative, and she appreciates him being there. She said Mr. Hutchinson was with him also. This is the first of quarterly meeting reports and maybe next time he will not have to cover as many topics since this was the first one.

Mr. Tompeck asked if she is telling him that she does not want him to cover as many topics.

Mayor Hudson said she was trying not to say that. She said she gave him additional topics.

Mr. Tompeck said he is sure he can make it briefer next time.

Mayor Hudson said it was very informative for the City Commission and it is great to keep them informed and she appreciates that. Mayor Hudson said Merry Christmas and happy New Year.

Mr. Bey wished everyone happy holidays and safe and prosperous and healthy New Year.

Mayor Hudson said to our ratepayers and our employees.

Mr. Delulio said hopefully we can keep the rates down.

Ms. Cavalcanti said especially in the summer.

Mr. Delulio said that is a fantastic policy. He said he has been on the Board seven years now and Ms. Cavalcanti has really pushed over the years to that. If you look at the charts it has worked out very well for everyone.

Mr. Matthews said that is his New Year's Resolution and he just made it.

There being no further business, the meeting was adjourned.

ATTEST:

Deputy SECRETARY

CHAIRMAN