MINUTES OF A REGULAR MEETING OF THE FORT PIERCE UTILITIES AUTHORITY, TUESDAY, FEBRUARY 4, 2020, 4:00 P.M., CITY COMMISSION CHAMBERS.

Members Present: Chairman Glynda Cavalcanti; Vice Chairman Charli e Frank Matthews; Secretary Darryl Thomas-Bey; Deputy Secretary Frank H. Fee, IV; Mayor Linda Hudson; and Johnna Morris, Acting Ex-Officio Member/City Manager.

Others present: John K. Tompeck, Director of Utilities; Amy Shevlin, Acting FPUA Attorney; Barbara A. Mika, Director of Financial Services; Nina B. Penick, Director of Financial Services; Paul A. Jakubczak, Director of Electric & Gas Systems; Bowdoin G. Hutchinson, Director of W/WW Systems, and Javier Cisneros, Director of Utility Support Services; Joshua P. Gang, Director of Regulatory Affairs.

The meeting was called to order by Chairman Cavalcanti.

Opening Prayer was by Jason Mittler of FPUAnet.

The Pledge of Allegiance was recited.

The roll was called and a quorum declared.

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

A motion was made by Mr. Matthews, seconded by Mr. Bey, and unanimously carried to approve the Minutes of the Regular Meeting of January 21, 2020.

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

1. Approve POA 17-41A: Amendment No. 1 to the HVAC Parts, Repairs & Replacements Contract with Thermal Concepts, Inc., of Davie, Florida, to increase the not to exceed contract amount from $30,000 to $40,000 annually.

2. Approve POA 14-53: Amendment No. 2 to Specific Authorization No. TLC 18-01 with TLC Diversified Inc., of Palmetto, Florida, to expand the scope of work, increase the contract not to exceed amount by $78,058.49 from $1,236,102.00 to $1,314,160.49, and to extend contract end date from December 31, 2019, to April 30, 2020.

A card was received from Marquita Phillips of Park View Baptist thanking FPUA employees for 171 pounds of food donated to their food pantry.

A letter was received from Lieutenants Jeff and Sheena Marquis of The Salvation Army thanking FPUA employees for supporting their Angel Tree program by purchasing Christmas gifts for the children.

Mr. Tompeck said the first item this afternoon is the bill comparison for the month of November 2019 and Barbara Mika will make the presentation.

Barbara Mika, Director of Financial Services, presented the Bill Comparison for the month of November 2019. She said this is the monthly update on the comparisons of municipal electric rates in the State of Florida, and of the local Treasure Coast utility bills for November 2019. In this first graph is the comparison of Residential Electric Rates for 1,000 kWh of consumption for the month of November for the 13 municipal utilities, in the State of Florida, which are members of the "All-Requirements Project" and are displayed and ranked based upon their base bill for 1,000 kWh of consumption. We can see where FPUA ranks among the 13 ARP participants. Our November rates at $108.84, depicted with the yellow bar, ranks FPUA with the 4th lowest rate of this group. This is an improvement of two positions since October. Also noted in this comparison, by the blue bar, is the relative position FPUA would hold with the combined $3 per kWh approved PCA decreases which went into effect on December 1st and February 1st. Mrs. Mika said the next graph displays the November comparison of Florida Residential Electric Rates for that same level of consumption and includes all of the municipal utilities in the state. She said the data for all of the graphs has been compiled by Florida Municipal Electric Association. FPUA's November bill for this level of consumption, at $108.84, has improved its standing by four positions since last month when compared to the other 31 municipalities in this graph. As of November, FPUA had the 12th lowest rates amongst this group. November brought rate changes for eight of ARP participants with two significant increases with the cities of Jacksonville Beach and Newberry, both with increases in the $25.00 range. The overall impact of these rate fluctuations on the averages shown in this graph were an increase of $3.38 for the ARP and $1.81 for all of the municipal utilities combined. For the 1,000-kWh comparison, FPUA's November rate is below all three averages shown in this comparison. The graph displayed shows where FPUA's rate would be with the PCA decreases that have already been approved by the Board and that is shown in blue and reflects the February rates.

Mrs. Mika said the next graph presents a similar comparison of municipal utility bills within the State of Florida for the consumption of 2,500 kWh. She said in this comparison, FPUA's November bill, unchanged from the previous month, at $274.80 has improved its standing by two positions since last month. The averages for this level of consumption for all three of these groups were impacted by the same changes that were noted on the 1,000-kWh bill. The average for the ARP bill rose $8.15 and the municipal average increased $4.29. The table displayed before

you now, is the November comparison of the average residential utility bills on the Treasure Coast. The comparison includes the bills for electric, water, and wastewater services that a residential customer, with average consumption, would have experienced if they resided in one of these service territories. These figures include all of the applicable taxes and fees and have been verified to actual or historical bills. In this comparison, FPUA's utility bill for services provided inside city limits is shown in the first column. All other bills in this table have electric services provided by FP&L and water and wastewater services by the locality's provider. The electric utility service bills to all FP&L customers were slightly lower in November and that was due to a one-time credit that FP&L customers received for the over-collection of storm charges which amounted to $0.90 on the average 1,000 kWh bill. There were no changes on any of the local utility bills for water and wastewater services since October. This item is for information only and requires no action on your part. However, if you have any questions I would be happy to address them.

Mr. Tompeck said he would like to add one quick item, when you look at these charts, the different utilities have different ways of adjusting for the power cost. He said last month Jacksonville Beach was at the very bottom of the list as the cheapest because they refund every month and make adjustments every month. This month they had to raise it so they are now in the middle of the chart. He is not crazy about doing it that way and thinks it is better off if it is leveled, our customers will know what to expect.

Mr. Tompeck said the second item is he talks with FMPA all the time about rates and we are going to be meeting with OUC in the not too distant future on Stanton I which is their coal plant. He said the rates on Stanton I are very high so we are trying to figure out a way we can get them to reduce some of their costs. It is costing the ARP about $18 million/year, which equates to roughly about $3 in the rates. We are going to be talking with them to see how they can reduce their costs. Rates are an ongoing issue that we really do look at every single day.

Mr. Tompeck said the next item is an information presentation by Larry Lammers on pole attachments.

Larry Lammers, Electric & Gas Supervising Engineer, presented the joint-use and pole attachment procedures. He said by the time we finish with this presentation, he would like to leave everyone a little bit better informed about how FPUA shares facilities with other companies and the different impacts it has on operations. Probably most importantly are some of the changes the industry expects to come in the near future and what that means for Fort Pierce and more specifically FPUA. We got to where we are with multiple companies sharing facilities primarily because telephone and power utility buildouts occurred around the same time. In most geographic areas, the companies got together and said they could do this more cost effective and at a more aesthetically pleasing way if we join our efforts together and put both utilities on the same pole. Hopefully it would not be like a pole displayed in picture, nevertheless sharing

facilities was the way across the industry both utilities decided to go. When you do not do that you will end up with a situation like the picture displayed. Obviously, there is no joint use going on there with multiple poles, wires going everywhere, and there is no collaboration. This is probably not legal in the United States. Mr. Lammers said when talking about sharing facilities, there are two different agreements that are standard throughout the industry. He said one is a Joint-Use Agreement and under this type of relationship, both utilities own poles. As an example on Orange Avenue it might be FPUA owns poles and the communication company would also have their facilities there. On Avenue A maybe AT&T owns those poles and we also have facilities on there. Under the Joint-Use Agreement, both companies own poles and they share the use of them. That is different to a Pole Attachment Agreement because under that type of shared use, one company would own poles and the other called the "attacher" would just pay a standard set fee for every pole they attach to. If you look at a typical pole, the top of the pole is going to be designated for electric such as FPUA and then there is space on the pole that is a free space, which is required by law. You have to have that space there to give a buffer between facilities that are energized with electricity and where the communication workers are going to work, it is a safety space. Finally, you have the communication space.

Mr. Lammers said there are different rules and laws that regulate how you have to allow communication companies to attach to your facilities. He said the FCC are the ones who really propose those rules to Congress. The main thing to highlight here is they have a tendency to be very communication-company friendly and do not really give a huge consideration to the impact it has on the electric utility. There are two main rules Mr. Lammers said he will talk about, two main laws that affect FPUA and one is the 1978 Pole Attachment Act. From what he understands, that was around the time where cable television was becoming wide-spread and the Federal Regulators wanted to give cable companies the opportunity to really build out their systems quickly with the cooperation from utility owners who already had poles in place they could attach to. The other one that is important is the Telecommunications Act of 1996 and this was really motivated by the federal regulators intent for wireless networks to get built out quickly. Just like a lot of rules that affect electric utilities, there is a municipal exemption. The exemptions that apply to FPUA as a publically owned utility, mostly relate to what we can require from a communication company when they want to attach to our poles and also how much we can charge them. Mr. Lammers said he believes the reason we have those exemptions is we operate from the standpoint of we want to do what is best for our community and our customers we serve. We are not strictly looking at the bottom line and the rate of return we can give to our investors because the people who own the utility are the same people who buy the services.

Mr. Lammers said the picture presented now again highlights the communication worker's safety zone. He said this is a picture he took off the Florida PSC website who we have to adhere to a lot of the rules they have in place. We talked about joint-use and specifically for FPUA, we have a joint-use agreement with AT&T, which was executed back in 1977. They were called Southern Bell Telephone and Telegraph Company back then. Under this agreement both parties own poles and according to the agreement, as long as FPUA owns 52.5% of the poles and AT&T owns 47.5%

of the poles then no money exchanges hands. We call it a wash and the reason we are required to own more poles under the agreement is because we use more space. Apparently at the time it was considered fair for FPUA to own a higher percentage. As of last year, we have records of FPUA having 9,537 shared poles, so under this agreement AT&T should own 4,530 poles. They do not according our records, they own 4,111, so FPUA sent them a bill for a little under $9,500. FPUA does not share any poles with FP&L.

Mr. Lammers said in contrast to the Joint-Use Agreement with Comcast we have an Attachment Agreement. He said they do not own any poles, they just attach to FPUA's poles, pay us a fee for each pole they attach to, and this is on a semi-annual basis at $3.59 per pole. The agreement we have with them is rather old from 1991 and the price per pole FPUA charges them has not been updated since 1996. FPUA is not the only utility in this position, it is a common issue amongst the industry. As a matter of fact, FMPA led an effort for all the Florida Municipal Utilities to approach attachers these utilities have agreements with. Comcast has agreements with six different utilities throughout Florida and four of us said yes we are interested in getting new agreements signed and renegotiating the rate. The staff from FMPA reached out to Comcast repeatedly and ultimately we had no success. At the time, we had these model agreements in place, FPUA had modified them a little bit to meet what we thought was the agreement that was fair, and we were proposing a new rate of around $25 per pole for Comcast to pay to FPUA. This is considerably more than what they are paying now, it splits the difference between the FCC cable rate, which heavy favors the communication company, they do not pay their fair share, which calculated out to be $12.72. In response to the FCC cable rate, the APPA came up with their own calculator to determine what they believed was fair for a communication company to pay. Using their calculator, we came up for our system of communication company should pay $48.50 so we were proposing at the time was splitting the difference between both of those. As you can see even the FECC cable rate is still higher than what they currently pay.

Mr. Lammers said we have some opportunities for improvement and one is an inventory audit. He said he showed the numbers we have records of for the attachers and joint-users on the poles we show with them. According to the agreements, FPUA is supposed to do an inventory audit every five years. FPUA has not been able to find records of any of those audits ever being done, so we do not have a high degree of confidence in the numbers we are currently billing for. We do have a process in place now or an effort in place with AT&T to get that inventory complete. One of the challenges is because those counts are so far off, we are not sure how we are going to do the cost splitting right now. We are not sure how many poles are actually going to have to be inventoried as part of this effort, but we will get that figured out in a short time and get it done. Permitting and inspection for the attacher, Comcast, the agreements read that for every pole they attach to, they should be submitting a permit request to FPUA. It is important for a few different reasons, but the main one is they add big thick cables to the pole. Whatever FPUA designed that pole to handle at the time did not include this new cable. We actually had our quarterly meeting with City Engineering this morning where Water/Wastewater Engineering and Electric and Gas Engineering meets with them to talk about projects coming up to make sure we

are communicating clearly and everything is aligned. Mr. Lammers said he mentioned to the City Engineer, Jack, after the meeting for them to please start including FPUA on any permits submitted to them by Comcast. FPUA is going to try and get momentum in that direction. The last thing as an opportunity for improvement is getting updated agreements and rates. He believes that is going to be an uphill battle, but is something we need to invest energy into.

Mr. Lammers said he has discussed where we are and something he thinks is important for us to at least mention is there probably are some significant changes and challenges coming down the pipe line. He said it is related to 5G and that is going to be the next mobile wireless network. There is multiple technologies associated with this new network that is supposed to give us much higher speeds and much more data transfer. The big one that is going to affect FPUA are these small cells that will probably get installed all over the place. In the middle of the slide displayed is the traditional cell tower, which is a big tall structure dedicated to only communications. Contrast that to the small cell towers where they are a lot smaller, but there are supposed to be a lot more of them and communication companies want to attach to existing infrastructure. They do not want to go build any new towers dedicated only to these small cells, they are going to want to attach to street light poles and utility poles and that will present a lot of challenges to us. On the next slide, you can see all the way over on the left hand side is the traditional tall cell tower and the next three pictures are different variations of small cell installations. You can see there is no standard at this point, they come in all shapes and sizes and the last picture is what he thinks FPUA should try to avoid. Not only is it unsightly, but it also prevents a utility worker from climbing that pole if it were wood, it is concrete so you would not climb that pole. It is an obstruction that prevents us from working on it the way we normally would and also it is going to generate a lot of additional wind loading. During high wind conditions, this pole is a lot more likely to fail. Mr. Lammers said at the end of the day we can avoid a lot of these problems if we just underground the whole system. He said he would be happy to answer any questions.

Mr. Matthews said we have what we call the establishment of the Utilities Authority in 1972. He asked if from 1972 to 1977, if FPUA was operating without any basic rules.

Mr. Lammers said he is not sure exactly what was in place at that time, he cannot speak to that.

Mr. Matthews said the other thing he is concerned about is those utilities that are out there now that hook up to ours and you recognize the pole is old, but you do not own the pole, how do you get the other company to install or replace that pole.

Mr. Lammers said he thinks what Mr. Matthews is hitting on is a pretty big issue throughout the industry and that is the electric utilities tend to take a near failing pole much more seriously than the communications companies do. He thinks the general mode of operation is even if the communication company owns the pole, if the electric utility sees that it is near the end of its life or past the end of its useful life and they are not getting any response from the communication company, they will just go replace it and take ownership. Definitely in a storm situation during

restoration, we are not checking to see who's pole it is. If it is down and has our stuff on it, we are going to replace it.

Mr. Matthews asked if FPUA has any lines hooked into a tower as opposed to a pole.

Mr. Lammers said not that he is aware of.

Mayor Hudson said the State Legislature not last year, but the year before there was a bill that passed regarding 5G that said the 5G companies did not have to deal with individual jurisdictions. She said they could put their attachments basically anywhere they wanted to and she thinks they also passed a flat fee. She asked if Mr. Lammers is aware of that.

Mr. Lammers said he is not well versed on what the state passed, he did get wind of it, but is not familiar with the exact details associated with it.

Mayor Hudson said because one of the things that happens is the State really wants 5G to get here fast and that is probably the same thing that happened with the cable companies. They want to be on the cutting edge and wanted people to have the service they wanted. You have the communications, the 5G people heavily lobbying the State Legislatures and they want to bypass all the local jurisdictions. Mayor Hudson sees that as an even bigger threat because we are not going to be able to have any say so about where they put these gadgets if the State Legislature has anything to do with it. She thinks the Florida League of Cities is lobbying against it, but does not think they did successfully. She asked John if he knows if FMEA was successful.

Mr. Tompeck said he recalls the issue, but not the results. He said we can check on that.

Mayor Hudson said she thinks state law plays into this whole 5G business and we may not have any kind of power right now, no pun intended.

Mr. Bey said he does remember that a couple years at a Legislative Rally, there was a big issue. He thinks they did pass it, but they are trying to defeat it.

Mayor Hudson said they are trying to massage it.

Mr. Bey said his question is with the small cell towers getting smaller and closer to earth, are there any health concerns with the transmission of whatever or microwaves.

Mr. Lammers said he does not think there is any real consensus on that. He has watched a couple of tech talks where people are very convinced there is real health concerns. You can listen to another talk that says there is no real health concerns. He is not sure there is any real consensus on that and he definitely does not have the expertise to speak definitively on it.

Mr. Bey said at one point they thought AMI was big brother and there was cancer agents being caused by it. He asked if Mr. Lammers is saying right now people can just attach to our poles at no cost at their will or is there some procedure. Do they have to contact us to get permission, what is the process.

Mr. Lammers said the process is supposed to be they submit an application to FPUA to review what is going to be on the pole, a pole analysis is completed, and if we say yes the pole can handle the additional load, then we approve for them to attach. If we say the pole cannot handle the additional load, then we request they do something the industry calls "make ready", which is somehow add additional strength to the pole whether it is adding additional bracing or guys or replacing the pole before they add that facility. In practice, what is happening, they seem to be doing to a certain degree what they want. This is why we asked for City Engineering to make us aware of any permits that come through them for Comcast to attach.

Mr. Bey said this would probably be an issue this year at the Legislative Rally and he will be going to it. He said if he gets any information, he will bring it back and share.

Mayor Hudson said it is being handled at the Federal level too.

Mr. Lammers said it is an industry wide issue. He said as a matter of fact, putting this presentation together he found an article that FP&L had sued AT&T for $20 million for unpaid fees or something like that. Every utility you talk to shares this experience for the most part.

Mayor Hudson asked if they all had difficulties with Comcast.

Mr. Lammers said yes.

Ms. Cavalcanti said Comcast is the worst one from these two, right?

Mr. Lammers said they seem to be the worst offender.

Mr. Bey asked what we are doing to go after people that owe us money or what are we thinking about doing. He asked if we have people that owe us money.

Mr. Lammers said we have two agreements, one with Comcast and one with AT&T. He said we are going to be able to shore up our counts and what we charge both of those companies after we get the inventory done. When we send a bill to Comcast, they seem to pay it.

Mayor Hudson said they are a big company and she asked if he had ever had them on the phone.

Ms. Cavalcanti said they pay it, but they are going to pay it at their old rate. She asked if Mr. Lammers is saying FPUA is going to change the rate.

Mr. Lammers said that is the other issue we are talking about that FMPA was leading that charge and we did not have any success in that realm. He said FMPA's legal team tried to reach out and eventually they just stopped.

Ms. Cavalcanti said she is curious because Comcast does seem to raise their rates quite a bit since 1991. She asked Josh Gang why we are not suing or doing something like that.

Mr. Lammers said in 2015 we did not have the benefit of having Mr. Gang on staff so he has a feeling things are going to be a little bit different from here moving forward.

Josh Gang, Director of Regulatory Affairs, said the law was in 2017 5G attachments, the Florida Legislative did pass it. He said in 2019, the Florida League of Cities filed a lawsuit with three other cities/municipalities, challenging the law so that is moving forward as we speak. As far as what we are doing with our pole attachment agreements, it is something we need to revisit, take a look at, and try and get them to the table. Comcast may be a challenge, obviously they have a good deal at $3.59 and even asking them to go to $12 is a pretty big ask, almost four times.

Mayor Hudson said it will go to us.

Mr. Gang said they are going to pass it along to the ratepayers as some add on fee on their bill.

Mayor Hudson said they have some pretty big lobbyist in Tallahassee and all the other State Legislatures too.

Mr. Bey asked if Mr. Gang is saying if we cannot get them to pay, we just let them use our poles and we are at their mercy.

Mr. Gang said no, we need to take another look at that agreement all the way through. He said one of the things we need to do is an inventory audit because we may find there are a lot more poles and they have underpaid. We may be able to use that as leverage to try and get them to table if they have been underpaying for years. The first step is to take a look at the agreement and see what our options are for modifying our agreements even if there is an exit clause, which he doubts, since they would still be attached.

Mr. Lammers said he did give Mr. Gang about six days heads up before this presentation so he is well versed.

Mr. Bey said you did not gang up on him.

Ms. Cavalcanti said no pun intended.

Mr. Lammers said the fact he was able to talk that much about it is pretty impressive.

Mr. Bey said he is a lawyer, man.

Mr. Fee asked out of curiosity if the attachment agreements have a set term for when they expire.

Mr. Gang said he does not believe they do, when he last looked at them and has not gone through them in enough detail, but he believes they are perpetual. He said that is for obvious reasons because once they attach, they are always attached. If they expire, we would be forced to come and take them down and they and we are not going to want that.

Mr. Fee said it sounds like we have a little bit more teeth if we could go up there and just cut the line.

Mr. Gang said it certainly would help.

Mr. Fee said it would be a way to get their attention.

Mr. Gang said clearly looking back on them, why they do not have some kind of escalation clause is a mystery and 1977 was a long time ago. He said even in the late 90's you would think they would have talked about it forward thinking to have some type of escalation clause or revision clause.

Mr. Lammers said he definitely does not have a set of lawyer's eyes, but if he remembers correctly when he was reading the agreement for Comcast, if we give them a year's notice, we can let them know that we are going to terminate the agreement. If we terminate the agreement, what do we do then, are we willing to just cut their cables down. With 5G coming, one part of that whole equation that is consistent no matter what happens moving forward is these small cells will need fiber. With us being a fiber utility also, there is some opportunity there.

Mr. Tompeck said the next item is the AMI update and Paul Jakubczak and Jann Widmayer will make the presentation.

Jann Widmayer, Community Relations Manager and Paul Jakubczak, Director of Electric & Gas Systems, presented the AMI Update. Mr. Jakubczak said we are happy to present you an update of where we are on AMI. He said if you remember back in November 2019, the Board approved the contract with Honeywell/Elster for the deployment of an AMI system in FPUA's service territory. Since that time in December of 2019, we met with our partners Honeywell/Elster and Leidos who will be managing our service to create a master schedule to move forward with how we are going to deploy this to our customers both in the advanced deployment area as well as the entire system. This slide displays the fruits of our 2 ½ days' worth of meetings with Elster to

come up with this schedule. It is very small to read and he does not expect a test on it. In this there is quite bit of complexity regarding on how everything needs to fall in line to make sure this system is successful. Some of the things that are a big part of this is the integration of the computer systems, not only with Honeywell/Elster and Leidos with us, but also with Honeywell System and Leidos managing their system as well. Also on here is the turnover deliveries and testing. With that we move over to the FPUA schedule which is a lot easier to read. What we are doing internally is meeting every other week with Honeywell/Elster and our AMI team to make sure they are on schedule. We also have a meeting with internal staff to make sure we are proceeding to be sure this project is successful. Some of the things you see on this schedule is working and waiting on material. As we are doing that, we are doing a lot of field inventory, cleaning out the pits on the water side, as well we have started working with the City on how to handle meter bases when we come across them as we are changing our electric meters. How we are going to make it a seamless transition to get permits approved for meter bases when they need to be changed out.

Mr. Jakubczak said the next slide displays a map of our field inventory of our repeater locations for our advanced deployment area. He said the little pink circles are how far out a repeater will go to pick up meters. When we get into more of the electric territory, we do not have repeaters, but when we get into the water and gas only, we need to install these repeaters. One of the things we are working towards is we are trying to work with FP&L to get pole attachment agreements because we do not have any power out there. In addition to that, we are also looking at the possibility of doing a solar option, similar to what you see when you are driving down the road and see flashing lights to let people know to either slow down because there is a crossing for kids or school crossing. We are looking at options like that, one to eliminate some of the attachment agreements that we are going to need with FP&L or also the customer agreements we will need when we need their power. Mr. Jakubczak said we talked a little bit about computer integration and he does not expect anybody to be clear on this diagram because he would have to ask Tom Fryar about it because he does not understand it all either. He said you can see the integration for our computer system with the AMI system is going to be very complex. Part of it has to do with going into our billing system, our outage management system, our work order system, and our Silver Blaze which is going to be how our customers log into a portal to be able to get information off their meters as well as to pay bills.

Mr. Jakubczak said on delivery, we are looking at getting our electric meters, gas modules, and water modules in March of this year. He said as soon as that happens and they show up, we are going to hit the ground running with the installation with these and change outs where needed. Our gate keepers and repeaters are scheduled to be delivered in April and starting in May we expect to start seeing data collection from these repeaters and collectors going back to what we are calling the head in system. We are going to then start our testing on how the data is coming through and we are getting all of our reads and alarms that we are supposed to get. The reason for the little bit of delay after we get meters in March is because we need the gate keepers and the repeaters in order to be able to bring that data back to the head in equipment. We are

looking at customer portals going live sometime in July and the reason for that is because they want to do training and look at actually getting live data from our customers and our customer meters before we start doing internal training. We talked a little bit about Silver Blaze and he does not want to steal Tom's thunder when we get ready for it. Silver Blaze is going to be a one-stop shop for our customers so they do not have to remember multiple logins or passwords, they can log into one site. They will be able to pay their bills, look at their accounts, determine if their usage is going up, and if there is a leak.

Mr. Jakubczak said for an update on what we are doing internally, John has come in and told us a lot about paradigm shifts and looking outside the box. He said we have been passing that on to our employees. We know the question is going to come up what is AMI. Our customers are going to ask the question so the best way to make sure FPUA is informed about it is to teach our employees what AMI is and the benefits for the customers. We are also looking at reviewing our work flow processes and how we can use this technology to be able to improve our efficiencies and also the possibility of shifting some of the responsibilities of what we do with job changes and those sorts of things. The other thing we are going to be talking about is training, there is going to be a whole lot of new data in there. We are going to have to train our employees to be able to look at this data and to be able to communicate it efficiently to our customers in a way they will be able to understand it. The other thing this is going to help is every single meter and location we have in our system is going to be visited by our employees. We are also looking at how we can make sure the site is safe, is there leaks, is there potential the meter lugs are getting hot. We want to try to make sure to use this as an opportunity to improve our customers and their experience with us. We are working with the City on how to do that as well as having internal training with our Customer Service Reps and the rest of our company. With that Mr. Jakubczak said he will turn it over to Jann to talk about our marketing.

Mrs. Widmayer said marketing will be very important with AMI and she expects to have all the marketing materials completed by February 14th. She said if installs are ready to go in mid to late March, we need to let people know. We are scheduling press releases and maybe some newspaper articles and ads. Main Street has already offered to give us some space as well. Our marketing is going to focus on the benefits of the upgrades, every location is going to be visited, so over 53,000 locations. Safety is one thing so they will benefit from that, both FPUA and the customers. We will be able to do remote turn on/off so not quite as long a wait, decreased response time to issues such as water leaks and voltage fluctuations, and the tampering issue. This system will alert us if there is any tampering to any of those problems. Benefits to customers is their availability to monitor usage 24/7, project their bills, control their usage, and that way they can conserve energy and save money.

Mrs. Widmayer said for the public relations (PR) schedule, if installations are going to begin mid to late March, about 30 days before we will start with the press releases, which will put us about February 17th. She said we will have videos and social media posts and all of those will coincide. There is going to be an AMI page on the website and we already have a dedicated AMI phone

number and dedicated AMI email address, customers will be able to communicate with FPUA. That allows us some time as well to train our Customer Service Reps and to answer these questions. For customer notification, we decided against a bill stuffer because if this is a 5-year long project and we put out information in a bill insert and it is 5 years down the road before you get your meter change, chances are you will forget. We are going to send letters to those areas where their meters are going to be replaced. That will happen about two to three weeks before the meter is replaced, door hangers definitely for electric because there will be a short interruption of service, and pamphlets will be available in the lobby and left with the bill insert. The back of the bill insert will also have answers to some frequently asked questions. Lastly we are going to prepare community outreach presentations so we can go and talk to them in person and answer their questions.

Mr. Matthews said his concern would be to take the item about community outreach presentations and move it into another level. He said one of the levels you could move it into a town hall type of meeting where you can bring a group of people out 200 – 300 and give them a night of one hour. If you tell them where you will be, you will be surprised the kind of questions and feedback you will get. The other item is we have several public affairs programs with our radio stations in the community. Even the college has one and we need to utilize all the media we can utilize for something like this. We also need to put out a community newsletter that would be addressed for the churches.

Mrs. Widmayer said we do plan to use radio advertisements and we had some of those approved in previous agendas to allow us to have some advertising time. She said we will give updates and different things utilizing those radio spots.

Mr. Jakubczak said it is more than doing the presentations to the communities, we plan on doing the community outreaches, some town hall type meetings and get into the communities and organizations. He said one of the reasons for that is to show them what this technology is going to provide for them, show them how to log into their accounts, how to view their utility customer portal, and how to be able to utilize some of the information they are calling in for now. When they are calling in to ask why their bill is so high, instead of calling in maybe they can log in or take a look on their smart phone or website. They can see if the temperatures were a little warmer last month than they are this month and they may remember their ac running more. Maybe there is a way they can utilize this technology to be able to lower their utility bills for the next time. Those are all in the works and we do not have the actual outline for that, but it is something we are definitely planning on doing in the future. Right now we are looking at not being able to roll out the customer's portal until we get data, which will not happen until the July time frame. The Board will have a presentation of that when we are ready to show it going live.

Mayor Hudson said when we had the situation with the gas and had to go out to people's houses we had trouble with their phones and not having up to date phone numbers. She said if you are going to visit every customer and asked if someone was going to visit every customer.

Mr. Jakubczak said we will visit every single location that there will be a meter, water, gas, or electric and leave a door hanger. He said if the customer is out there and wants to talk to us, we will be more than happy to answer any questions, if not we will be there just to change the meters or the modules. We will leave a door hanger with frequently asked questions or answers and also information regarding the webpage for AMI, the email address, and the phone address. One of the things he is hoping for is to be able to get more people to the website to update their customer information to be able to contact them in the future. Eventually, what he would really like to see and this is on the electric side, is these meters will be able to tell you when the power is out, and he would like to in the future to text or email a customer saying "thank you for your concern, we know there is power out in your area and we are working on correcting it right now". This will eliminate those thousands of calls we get when we have a large outage.

Mayor Hudson said that is exactly where she was going, it is an opportunity to keep your records up to date. She said that changes all the time and if you do not have an emergency you do not know the customer's number is out of date.

Mr. Bey asked if staff has thought about what impact this is going to have on our staff in terms of when we have to have meter readers to go out. He knows this is a ways down the road, but have we thought about how we are going to deal with that and what the impacts will be.

Mr. Jakubczak said we have and since this is a 5-year deployment as we get to the point to where we start seeing less and less need for a meter reader, we are going to be reclassifying our meter readers to be Customer Service Techs. They will be the ones who will receive these daily reports and take them to look at to see if it is an issue and do they need to go out there. How they can get in front of the customers and let them know we are seeing high flows on the water side and let them know they may have a leakage. In addition to that there is a lot more communication technology in this, a lot of wireless stuff, and we are looking at the possibility of finding the right fit with our current employees of who would like to transition into those types of positions. Mr. Jakubczak said we are going to get started in the next three to four weeks to do some training for our meter readers on how to change out electric meters and what we are looking for when we are changing them. He said we will decide when we need to change out the customer's meter can because it has a potential of a safety hazard. We will also be doing a lot of cross training, but right now we are not going to be releasing any employees because of the implementation of AMI.

Mr. Tompeck said the next item is a presentation Tom Fryar made to our staff last week on cybersecurity related to phishing. He said the Board will find this interesting from an FPUA standpoint and also from a personal standpoint in protecting your own equipment.

Tom Fryar, IT Services Manager presented the Cybersecurity Phishing update. He said this is a cybersecurity concept which is a very broad term. When you say cybersecurity in what we are

talking about tonight is a small sliver, but this small sliver is a major impact into different companies out there. A couple of slides in you will definitely see what he means by the impact on there. This is not only for FPUA on how we handle our internal emails, but also how our customers can actually protect themselves and how the Board can protect themselves on emails. It is a constantly changing issue out there and the hackers that are out there are trying to get into your systems are very smart and are trying every day to get into it and change up the methods. Mr. Fryar said you will hear me say there is a malware there and malware is an abbreviation of a malicious software, an application that is running on the computer. He said its job is to get into the computer, steal information, possibly cause damage to the computer, and depending on the level of malware, it could actually hold your computer hostage. Phishing is a slightly different animal to that malware, but it is a software or message being delivered to a person either through a phone or text message, or in our case mostly emails. They are trying to get into the system and have the person provide information about themselves so they can grab money, data, and technology from them. One of the worst ones out there that you may have heard in the news is ransomware, which is a malicious software and is designed to take over a system. There are two types out there, but a lot of them are in there to crypt the files and say "you want your files and system back, you have to pay us money". It spreads a lot through the emails, but that is not the only method, but a high probability is through emails. The reason why is they are hoping to have someone read the email quickly, click on a link, and actually basically download the malicious software and infect the system.

Mr. Fryar said last year around the end of May, FPUA did a baseline testing of our own staff. He said we sent through a message as shown on the displayed slide that said "I.T. Services" and usually when we send out a message it says "ITS". That should have been a flag our own staff should have realized. The email said "password check required immediately" and you can notice the urgency on it. It says "to all employees" and gives the regulatory compliance on it to please check your password. About 265 emails went out to our employees and 61 clicked on the link and went to the website. Out of the 61 people that clicked on it, 11 people provided their password. One of the things it would say is provide your old password and new password and we actually had 11 people that did that. Mr. Fryar said FPUA did some training at the beginning of this year and said Happy New Year to everybody and we did a test to the staff again. He said it was unknown to him that they were planning to do it so he was also tested. Employees did very good, we went from 61 employees down to three employees with only one person that clicked on the link and one person that opened the attachment and one actually responded to an email and the response was more of is this real or did you send this email. There were a lot of questions out there, but the biggest thing unlike the first one where it was the same email, this one was unique emails. There were probably about seven or eight duplicates, but each person had a different one so that way they could not say it is ITS again testing us to check the phishing. We also did not do it the same day, it was spread across the entire week and hit everybody such as the managers and directors.

Mr. Fryar said the reason FPUA is concerned about this is the risk and in 2019, a business will fall victim every 14 seconds. He said we are not just talking about government, we are talking about your local business, mom and pop shops, all the way up to the bigger ones. The bigger ones are getting into the news and he does not want to be in the news to try and explain why FPUA got hit with a malware. Ninety-nine percent of those people that get it are reading it, opening it, clicking on the links, and sometimes they just do not learn and repeat it. There is actually companies throughout Florida where a company did it three or four times. Mr. Fryar said he knows a company where the owner even after being told to look out for these emails, they still did it. He said FPUA goes through the process of training and not to throw anybody under the bus, Rivera Beach had a ransomware of almost $600,000 and that is a lot of money. City of Ocala is an interesting one because they sent a message acting as a contractor and said they were owed the money and City of Ocala sent over $750,000 to that company before it was realized it was a mistake made and that it was a scam. Even closer, St. Lucie County Sheriff's office got hit with a ransomware, Lake City got hit with something similar and they paid a little over $500,000. This happens and that is the reason they do it because they want to be paid, it is a money scheme, $6 trillion annually by 2021. FPUA is not unique, it is all throughout the world, different areas get hit, but we do not want FPUA to be hit.

Mr. Fryar said that ransomware focuses on likely payers, attaching different targets and some of these attacks may be our own customers. He said they may go after an individual and encrypt all their files, but they are also looking at the bigger players out there, such as hospitals, critical infrastructures, and government. The reason why is we usually have money to pay it or they believe we have money to pay it. One of the questions is will companies do it or not do it. A lot of these companies end up paying because they do not have good backups or good systems to prevent it. We are a utility company and are a major target. One of the first things we try to train our staff is to look at the email, was the address correct, are they asking you to click on a link that has a questionable name of the company or domain. Another words in the example displayed, PayPal you would expect the email to go to PayPal.com. If it is a message from one of our own senders, we would expect to have a name that is recognizable, information that could say this is a real or a fake one. A lot of the ones that are out there are coming from other countries usually have misspellings and questionable information on there. Look for bad grammar, bad terminology that is inside the system and some of the emails are simply too good to be true. They may say if you help me hide this money, we will pay you out and hopefully those are not the emails we will not click on. Look at it to see if it is a conversation between a vendor and FPUA or our partners to see if you can get an understanding of it. In short, is it suspicious, does something just look out of place, if it does most likely it is a scam and you are being phished. We are trying to educated our staff to not be that type of person to be phished on.

Mr. Fryar said while those phishing are looking for information such as social security numbers, passwords, bank information, credit card information, anything they can do to make money off you. He said our staff is basically smart enough they looked at the emails and said it was a questionable email. A lot of these emails are looking to be urgent hoping someone will rush to

make the customer happy, make the person happy, and pay it. We also get some emails like from Darryl Bey that wishes to pay a vendor and we have actually had those emails. They come in and say it is urgent that we need to pay a vendor and we have to ask why Darryl Bey is sending us an email. We have also gotten emails from John Tompeck, Nina, Javy where it is like please change my bank account number. It is hard to try and stop these emails without blocking the good emails and that is where our problem is.

Mr. Bey said he is glad he is not the only one, thank you.

Mr. Fryar said it is kind of ironic we just had a discussion on this, did our test, and the displayed email just came into one of my staff. He said the staff member is part of the Leadership Program and he gets an email from the St. Lucie County Chamber of Commerce. That tells us that somebody was monitoring them, what is being done, what employees are attending, and comes in and asks him to review the attached purchase order to try and get him to click on it. It was a fake email, everything was correct on it except for the attachment. The next display shows an email that came in January 27th with the same concept of a company that FPUA does business with. We looked at it as questionable and something was not right that we had not used them in a while. Heather sent it to ITS to verify it, we said everything looks correct, but when we reached out to the vendor, they told us they got hacked. It was on their machines that were sending out these emails and that is one of the things FPUA has to look at. These could come from real customers, real vendors, real partners that make us look at it and say this must be legitimate. That is how systems have gotten out there to try and do that. One of the things going back to our Happy New Year emails, we actually had ours look really real and we had HR questioning it because we had the emails going out from HR telling them to review the new benefits. People were like okay, but some of them stepped back and said even though this is from HR, it does not look right.

Mr. Fryar said FPUA and ITS put a lot of protection on this through multi-layers. He said the first part is the firewall which looks at anything that comes in and tries to determine them based off the IP address and scan any attachments that are on it. Some of the attachments are actually good where they encrypt the attachment and put a password and include a password for the employee to open the attachment. They are trying to get you to open it up and our system cannot scan an encrypted file especially if it requires a password. We have email security on it that basically goes through and filters our emails. Last month FPUA had over 2,000 emails that were kicked out where only 1,000 emails that came in so that is over 3,000 emails that we get in our system in a 30-day span. We have had some months where it has gone as high as 60,000 emails we have kicked out and it depends on the time of the year, the month, and what is going on out there. If it gets pass the firewall and the email security, the next thing we are hoping is our antimalware will basically detect the malware or malicious software and stop it. We have actually had one that got through back in 2014 that our antimalware did not catch it, but another antimalware did. FPUA does continuous updating and patches and a lot of people in the company like last Tuesday and again Thursday doing the patches and kicking people out of the system

because of malware alerts. The software is changing, the holes are out there, and we actually had one where we rolled outside of our normal patching time because there was a possibility of someone using it to get into our systems. We are constantly monitoring and looking at it. We review, apply, best practices, work with our partners, whether they are FMPA or FLGISA and other partners that are out there that help us detect the types of malware that are out there. We work with other entities in talking about how they solved something and what we can do and best practices. Bad actors are constantly learning from their mistakes, learning what works and what does not work and then they re-wrap it up in a nice bow and send it back out and we are trying to catch that.

Mr. Fryar said one of the other things FPUA is starting to roll out is the phishing alert button so if someone gets an email that is questionable because we will continue testing them all the time, they just have to click on the phish alert and it will say "congratulations, you have passed the test" or "we are not sure what this is and we will go ahead and scan it for you, analyze it, and get back to you". He said the best thing he can tell people is before you actually start looking at the emails and clicking on them, is to stop, look at it, and think about what is on the email. Does it look right and before you connect through the link or open an attachment, is it correct, look at the "from" address, look at the URL, are they correct information, and do not simply click on it unless you are certain the email is correct and you trust the company. When in doubt, throw it out. It is basically, if it does not look right it is better to be safe than sorry and this includes some emails that say this is the sheriff's office and we are going to be knocking on your door any minute unless you pay these bills. Mr. Fryar said IRS is not going to send you an email and he does not know of any sheriff that will send you an email unless they know you personally. He said toss it out.

Mr. Matthews asked how long would Mr. Fryar recommend passwords to be changed.

Mr. Fryar said that is a good question. He said there have been different questions on that, some say to change every thirty days and some say change every 90 days. The National Institution of Security says do not change them every day or every month unless you think it has been compromised. FPUA has it set for six months at a minimum to change passwords and part of the change is to get away from simple passwords. They are saying to use phrases and the reason why is what is happening is people were forgetting their passwords and they say change password and then if it comes in as an email or text, now someone can see the password you were using and possibly use that against you. Use phrasing of something that is easy to remember, but meets the requirements of the place you are using the password at. If it requires number, letters, or what have you, you can use greeneggsandham! or twogreeneggsandham depending on what you need to get pass the security requirements for the site or software you are using.

Mayor Hudson said when an employee does get a suspicious email are you asking them to send it to you.

Mr. Fryar said we are asking them to press the phishing alert button and it will send it to our help desk and we can analyze it. He said the reason why is because they may send it to me or call me and I may be in a meeting and hours before I can get back to them. By sending it to the help desk we can respond quickly and a lot of times if we detect it is bad and it went to multiple people, we will actually reach out and pull back those emails back from everybody else.

Mr. Tompeck said the next item is Resolution No. UA 2020-01, which is the PNC Bank Master Resolution and also included in this item are changes for authorized signers for various accounts and changes to our investment portfolio. Nina Penick will make the presentation.

Nina Penick, Director of Financial Services, presented Resolution No. UA 2020-01. She said this is a housekeeping item as a result of her impending retirement, signatures need to be changed for all the banks. This is not a simple process, it is really just phase one of a number of changes that we are making and she would like to walk through them with the Board today. You will see me back here again because there will be other resolutions at least one more resolution that the Board will either have to create initially or update from previous times. The good news is we do not have our funds invested with many banks, but in this process we are also looking to begin relationships with a couple of other banks. In looking at the rate of return on our investments, she kind of wants to cry because it is so pathetic. The reason for that is the very conservative investment resolution FPUA abides by and all of the investments and the measurement of how well or poorly our investments perform are all based on this State Board of Administration Florida Prime Account. It shows in the middle of the display. All of the other banks FPUA invests in and they are qualified public depositories in accordance with Chapter 2A of the Florida Statutes. Basically they have to categorize the funds FPUA has in their banks and they assure us they will return our money, it does not have anything to do with FDIC Insurance. Mrs. Penick said the State Board of Administration is a slightly higher paying investment FPUA has a reasonable amount of money in. What probably none of the folks on the Board remember, in 2008 the State Board of Administration had a bit of a problem with this investment and what they did at that time is they took the good investments and put them in one account. They took the other investments that were not so good and put them in another account. The money that went in that other account, if you had to get that money out, you paid dearly to get the money back. If you did not need it, you let it sit there, it sat there earning no interest until 2014 at which point and during that whole time we got a little bit of principle every month back as they got out of the bad investments they had invested in.

Mrs. Penick said in spite of what Mr. Tompeck may have told you, the money is not in the corners of my office, they are actually invested in these banks and they are very safe, just not earning a lot of money. She recognizes we had to make contact with all the banks anyway, she reached out to any banks that had branches in the City of Fort Pierce. With one possible exception, Trustco is down in Stuart, but they had actually contacted FPUA and were quite accommodating. That transaction has actually been completed, it did not require Board approval, but we have

opened up a certificate of deposit with them. The rates for the CDs that we are in the process of creating or adding to, the interest rates range from 1.41% to 1.55%. There were five banks, three of which quoted less than ½% and two that basically could not be bothered with us and those were the bigger banks. There are some smaller banks that are not even qualified public depositories so we could not invest with them even if we wanted to. This is kind of where we have landed, which is phase one and in addition to the adoption of the resolution for PNC Bank, which is just one of a number of them, we are in the process of replacing Nina with Barbara on all the accounts. Some of these accounts had not been updated since 2017 and so those names needed to be changed. We are actually doing a transfer out of the PNC Bank money market account into a Certificate of Deposit (CD) to improve the rate of return. That money market was created in the days when it had a better rate of return than CDs or CDARs, something we invested in some time ago was the CDARs program which is kind of tied to FDIC Insurance. Again, the interest rates were so dismal and it required a lot of administrative work to keep up with it, we discontinued doing that many years ago. We are moving money within the same bank, but we are opening two new $1 million CDs and before she could get the paperwork to do that from TD Bank, she had to bring this to the Board for approval. We did add $300,000 to a CD with CenterState Bank, we have four CDs with CenterState Bank and they are all tied to the cleanup loans. We are now released from the requirement that they stay with CenterState, but they have been accommodating in terms of give FPUA a decent interest rate to incur to just leave the money there and we basically rounded up. We rounded up the $700,000 loan CD that we rounded up to make it $1 million and we may very well do that as the others come due. We also have a Certificate with Seacoast Bank that is going to be renewing in the next month and we may be adding to that. Mrs. Penick said she thinks that is all she has if the Board has any comments or questions, please let her know. She said there is a number of things we are asking you to approve here, the resolution is simply one component of it and the resolution may need to go separately.

Mr. Matthews said he noticed on the chart and asked why she did not include SunTrust and Bank of America.

Mrs. Penick said SunTrust is not SunTrust any more, they are now Truist and have merged with BD&T and they were not interested in doing a CD for FPUA. She said they really wanted our demand deposit and the rest of our business and that will come up for Request for Proposals (RFP) in two years.

Mr. Matthews asked what bank is doing FPUA's operational accounts.

Mrs. Penick said Seacoast. She said these are just investments, they do not include our checking accounts and those were done through an RFP process three years ago.

Mr. Matthews asked if the CDs should be in a bank that we are moving the bigger dollars.

Mrs. Penick said that is why we have the CD in Seacoast. She said what the insured cash sweep does it sweeps our checking accounts each night and insures they are invested rather than earning nothing. It is not an overnight repurchase agreement, but it is similar. The vast majority of the money we have is with Seacoast who is our main bank.

Mr. Matthews asked how many years can you leave the CDs without getting penalized.

Mrs. Penick said these are in the vicinity of 12 to 18 months and one is actually seven months, but we do not need to take the money out. She said we will never get penalized. The interest rates on the longer term CDs were less than the shorter term CDs consistently. If you want to put it away for ten years, do not bother and plus if the interest rates go up then you are stuck with a CD that does not earn a very good rate of return.

Mr. Matthews said from his banking experience for 25 years, to him it means you would shop regular, you yourself as a person. He said you would call the bank up 1 ½ years down the road and ask the going price. That is the way you deal with the business and also on the other hand you say I have been your customer for five years now, what is in the deal for me.

Mrs. Penick said that is exactly what we do as the CDs renew.

Mr. Matthews asked if we are going to be stuck when we pass this resolution that we cannot move it.

Mrs. Penick said no, the resolution today basically allows us to do business with PNC Bank, that is really all the resolution represents. She said you as the Board recognize we are doing banking with PNC Bank. We expect to see a revised resolution or some form thereof from Seacoast, CenterState Bank possibly, and TD Bank for sure. Mrs. Penick said she will have to bring those all back to the Board. She said PNC Bank wanted to see that the Board blessed the whole process first, so this is just Phase one and hopefully they can all be knocked out at the next Board meeting.

Mr. Matthews said the one that is doing the merger, SunTrust, and asked if will we get hurt with the merger.

Mrs. Penick said no because we do not deal with them at all. She said we do not deal with SunTrust or BD&T and she believes CenterState has been bought out recently too.

Ms. Cavalcanti said it is next year or a year from now and it is a merger, not a buyout.

Mrs. Penick said thank you and it is coming.

Mr. Matthews asked if we have any stock investments in any of these.

Mrs. Penick said no and that is exactly the point, we are not authorized to make those kinds of investments, those are riskier. She said the goal of FPUA is to preserve principle so we do not lose any money. That is why our earning rates are so poor, kind of sad that I am happy that we are earning 1.5%. Many of us remember the days with much higher rates, but as a public depositor, there are many strings attached when we deposit money in the banks. There is a form they have to sign and give back to us and we do a report to the State every year. They have to collateralize the funds and heaven knows what forms they have got to fill out on a monthly/quarterly basis or annually basis, she has no idea.

Mr. Matthews asked if FPUA has had a situation where we have capped out on the rules of the bank and had to withdraw the money.

Mrs. Penick said no, in the past we have approached banks that although they were qualified public depositories, they could not bear for us to give them $1 million to invest, they simply could not do it.

Mr. Matthews who is the 1.55% interest with.

Mrs. Penick said there are four of them and those are just the ones she has either opened up or renewed. She said we do provide the Board a little bit more detail in the quarterly operating results, but you have not seen September yet or December. This is kind of a sneak peek into the future because we have more information in the quarterly. It tells you how much interest we earned for the quarter and how that compares to the State Board of Administration because that is our baseline. Very rarely do we earn as much as that which is invested in the State Board of Administration. We could put more money into the State Board of Administration if there was an appetite for that risk.

Mr. Matthews asked if the signees on the account are the Chairman and Director.

Mrs. Penick said it is not the Chairman, the Board Members do sign on the accounts. She said it is the Director of Utilities, the Director of Financial Services, and the Director of Utility Support Services, just so there is a backup because of turnover and retirements. Seacoast we actually have the Director of Electric & Gas as well as the Director of Water/Wastewater on that account. We went a little crazy when we changed them all over in 2017.

Mr. Matthews asked if there are any bonding requirements of the person signing.

Mrs. Penick said no, but she as Director of Financial Services has a bonding requirement and Barbara will as well when Nina is gone. She said there are requirements as the Director of Financial Services and we also have bonds on our Customer Service employees, all the people that are handling cash in Customer Service.

Mayor Hudson asked if Ms. Cavalcanti wanted a motion on the resolution first.

Ms. Cavalcanti said yes and asked Mrs. Mazzarella to read the title into the record.

Mrs. Mazzarella read the title into the record as follows: "Resolution No. UA 2020-01: Master Resolution and Authorization for Depository Accounts and Treasury Management Services".

A motion was made by Mayor Hudson, seconded by Mr. Matthews, and unanimously carried to adopt Resolution No. UA 2020-01 PNC Bank Master Resolution.

A motion was made by Mayor Hudson, seconded by Mr. Matthews, and unanimously carried to approve authorization for Depository Accounts and Treasury Management Services, replacing Nina Penick as authorized signer for all bank accounts with Barbara Mika, adding John Tompeck and Javier Cisneros as authorized signers to replace former Director of Utilities and Director of Shared Services, moving $7,212,188.10 from a money market account to a Certificates of Deposit (CD) with PNC Bank, N.A., of Wilmington, DE, investing in new $1 million CDs with: TD Bank, N.A. of Wilmington, DE (Fort Pierce branch), Trustco Bank of Glenville, NY (Stuart branch), adding principal of $300,000 to CD with CenterState Bank, N.A., of Winter Haven, FL (Fort Pierce branch).

Mr. Tompeck said on January 28th, Mr. Mimms sent out a note to the Board on utilization of sales revenue from the last voluntary cleanup tax certificate. He has proposed using the funds for economic development purposes. As a follow-up to that memo, I sent you an email on January 29th which identified staff's position and alternate uses of the funds for the benefit of our rate payers. Please respond to Mr. Mimms with your thoughts on the subject and contact me if you have any questions.

Mr. Tompeck said he is pleased to announce that Josh Gang, our Director of Regulatory Affairs, has been admitted to the Florida Bar so you do not have to trust him anymore.

The Board Members congratulated Mr. Gang.

Mayor Hudson said the subject Mr. Tompeck just talked about, you can also contact the City Commissioners in addition to Mr. Mimms. She said you just cannot contact her because that is a violation of Sunshine since she serves on both Boards. You can give your thoughts to any City Commissioner.

Mayor Hudson said she would like to share with this Board and she already talked to Mr. Tompeck about this. She said at the Strategic Planning at the City last Friday, there were several issues that were brought to the Commission that had been talked about the day before when the staff had their long range strategic planning. Concerns about relationships between the FPUA and the

City of Fort Pierce and the specific things that were brought up were permits from the Building Department. Apparently, there is an understanding from the Building Department at the City of Fort Pierce that the FPUA is not going to apply for permits anymore and she does not understand that. She is not exactly sure what that is and she has talked to Mr. Tompeck about it and is sure they will hear more about that later so we understand it.

Mr. Tompeck said we are trying to chase that down, but we will always continue to pull permits where they are required, there is no question about that.

Mayor Hudson said it is against the law not to for the ones that are required so she did not understand that. She said it caused a great deal of conversation and so she would like to clarify that so we are on the same page with the City. Also, there was something voiced about street lights not being a priority of the UA when the street lights are out in the City. Mayor Hudson said Mr. Tompeck and she talked about that and we are going to try and chase that down too. There was also a discussion about annexation and being on the same page with the City and the FPUA. There was a discussion of the Commissioners about these concerns without us having a lot of the information because we did not hear it firsthand. She did talk to Mr. Tompeck about it and so she thinks it should be something that for sure should be on our long range planning agenda. Also, something Mayor Hudson would like Mr. Tompeck and Mr. Mimms to meet and discuss because she does not think there has been great communication for a while now on City and FPUA working together and she would like to get back on that same page with the City and the FPUA.

Mr. Tompeck said as a quick follow up, FPUA staff is meeting with Mike Reals on Thursday on the street lights. He said there are a couple of different issues there some of them has to do with street lights on the island that are obsolete that we are having trouble getting parts for, we cannot get parts for. There are some other issues as well and hopefully we will be able to iron those out.

Mr. Tompeck said in terms of the annexations, staff met with Jennifer Hofmeister last week and we need some specific information on the help the City needs. He said we are not sure of exactly what you need at this point.

Mayor Hudson said it is something we talked about at last year's long range planning and we aired it and there was a lot discussion about what had happened in the past and what should happen in the future. She is not clear on it herself and but she thinks it is something it would be a good thing for our ratepayers and the City if we are all on the same page about annexation and that is about as much as she knows about it right now.

Mr. Matthews said he thinks it is very important we follow through on this tax certificate conversation. He said he spoke as a citizen at one meeting, but one of the technicalities is we cannot find the minutes of that particular meeting, he thinks it was November 12th. The other

problem is the votes were 2/2. Commissioner Perona was out and all of us or one of us at a time need to talk to him because you already know how the other two persons voted. We need to make sure that Mr. Perona does not join in with the two that do not want to as he calls it "act right" to participate with the tax certificate response. Mr. Matthews said he is planning on staying on top of it as a Board Member. He said the record shows it was done in 2015, but he has come to the conclusion that he told his high school that you do right because it is right to do right and he thinks it should not even be a conversation. It is rightfully the UA's money and that is the ratepayers.

Mr. Bey said he whole heartedly agrees with Mr. Matthews and said the City Commission at the time with great conviction said the money should come back to FPUA. He said any attempt to go against that raises questions in his mind about what the City Commissioner actually has in mind, especially in light of them saying cumbia we need to work together and all of that. He agrees with Mr. Matthews 100%.

Mayor Hudson said that is why it is important to talk to the Commissioners themselves. She would like to point out that Mr. Tompeck is on the Executive Committee of the EDC now as of today.

Ms. Cavalcanti and Mayor Hudson congratulated Mr. Tompeck.

Mr. Tompeck said you get on the Executive Committee by how much money you donate to the EDC, that is the way it works.

Mayor Hudson said she expects we will get something out of it. She said all these companies are going to Port St. Lucie and we want them here.

Mr. Tompeck said we do.

There being no further business, the meeting was adjourned.

ATTEST:

SECRETARY

CHAIRMAN