MINUTES OF A REGULAR MEETING OF THE FORT PIERCE UTILITIES AUTHORITY, TUESDAY, OCTOBER 6, 2020, 4:00 P.M., CITY COMMISSION CHAMBERS.

Members Present: Chairman Glynda Cavalcanti; Vice Chairman Charlie Frank Matthews; Secretary Darryl Thomas-Bey; Deputy Secretary Frank H. Fee, IV; Mayor Linda Hudson; and Rupert N. Koblegard III, FPUA Attorney.

Others present: John K. Tompeck, Director of Utilities; Barbara A. Mika, Director of Financial Services; Paul A. Jakubczak, Director of Electric & Gas Systems; and Javier Cisneros, Director of Utility Support Services; and Joshua P. Gang, Director of Regulatory Affairs.

The meeting was called to order by Chairman Cavalcanti.

Opening Prayer was by Jason Mittler of FPUAnet Communications.

The Pledge of Allegiance was recited.

The roll was called and a quorum declared.

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

A motion was made by Mr. Matthews, seconded by Mr. Bey, and unanimously carried to approve the Minutes of the Regular Meeting of September 15, 2020.

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

1. Approve the Engagement Letter with GrayRobinson, P.A., of the City of Orlando, Florida, in an amount not to exceed $50,000 annually, for Legal Services related to Communications Services and Infrastructure, for the period from October 7, 2020 until terminated by either party.

2. Approve the updated FPUA Non-Disclosure Policy and authorize the Director of Utilities to sign Non-Disclosure Agreements related to 1) Trade Secret confidential information, and 2) the business development plans intentions, and interests of new or existing customers.

3. Approve budget transfer for North 17th Street Project - Natural Gas in the amount of $45,000 which will increase the total project cost to $165,438 for FY 2020.

4. RFQu 20-27: Approve Specific Authorization No. FUJ-93-20-02 with Fujitsu Network Communications, Inc. of Richardson, Texas, in an amount not to exceed $177,998 for the FPUANet Network Upgrade, Design and Installation of the Optical Line Terminal. This Specific Authorization shall commence upon written Notice to Proceed and end upon final completion of the work and acceptance by FPUA.

5. POA 15-53: Approve the purchase of Cell Phone Mobile Communications Services and Equipment from Cellco Partnership dba Verizon Wireless, of Basking Ridge, New Jersey, under Florida State Contract DMS-10/11-008C, in an amount not-to-exceed $64,560 annually, through January 19, 2022.

Mr. Tompeck said the first item this afternoon is a COVID-19 update by Javy Cisneros.

Javy Cisneros, Director of Utility Support Services, said he will present a COVID-19 update for the Board for October 6, 2020. He said a quick refresher on some of our protocols at FPUA. FPUA does continue to have COVID-19 protocols in place, face masks and social distancing and that's really important because 99% of our employees are back in the office. Actually he believes it may be 100% as of yesterday. These protocols are also important because we have had some discussions about when the lobby may reopen and we tentatively have a date of October 21st. Mr. Tompeck and he had several discussions yesterday and that is a moving target because it is all directly related to COVID cases in St. Lucie County and hospitalizations, that date will be subject to change. We will provide an update at the next Board meeting. FPUA continues to provide COVID-19 assistance sponsored by FPUA and that is $200,000 for Mustard Seed and ALPI and in the next slide you will see a breakdown of where we are to date. FPUA has surpassed the $450,000 for waived fees and we are at $459,000 waived fees which is late fees and penalty fees. As you may recall, March 18th we suspended those and that's when we decided to close the lobby, the initial date of our closing the lobby. Unfortunately, as we discussed at several Board meetings, those fees have been reinstated as of yesterday, October 5th. Mrs. Martin will be presenting next and will give you a good overview how that works for FPUA.

Mr. Cisneros said FPUA continues to provide outreach on our websites and radio stations. Radio stations outreach was until the end of September so we are no longer advertising on the radio stations, but we did quite a bit of advertising on radio stations, very active on Facebook and other press releases. Some good news is the Cares Act, if you may recall, there were five different divisions of the Cares Act of $55.5 million. One of the groups in the Cares Act was municipalities and unincorporated offices. A couple of weeks ago FPUA signed a sub-recipient agreement that provided FPUA the opportunity to tap into some of that money to recover costs directly related to COVID. Mr. Cisneros said he is happy to say, FPUA received our first reimbursement of $144,000, which is money we were not expecting to get and really happy about that. COVID financial assistance from FPUA, we have $200,000 and have allocated $100,000 to Mustard Seed and have surpassed the $55,000 mark. We have 168 vouchers for our customers of a one-time assistance of $400. ALPI is still lagging behind a little bit at $21,000 and has issued 72 vouchers.

A lot of funding available and those funds will be available until some further date until the funds are gone. The Cares Act, he just received this information around 3 o'clock today that we have 274 FPUA customers that received funding from the Cares Act, which is the social services division of the Cares Act funding and it is around $604,000. That is a big assistance to those customers, which is a one-time assistance of up to $4,000. He mentions all three of these because there is still quite a bit of funding available and we want to encourage our customers to contact those organizations to see if they qualify.

Mr. Cisneros said the automatic payment plan we have gone through all of those customers that were on the disconnect list and completed it for all customers. He said the final numbers are $1.5 million for residential, just over 2,600 customers and $134,000 for commercial and over 162 commercial accounts. So, we have a total of 2,787 accounts that have been put on an automatic payment plan for $1.65 million and will be financed over the next six months for commercial and 12 months for residential. It is really important to make sure we really focus on not disconnecting any customers. We really want to help our customers and are trying to do what we can to keep them from being disconnected. The first group of customers that will be eligible for disconnect will be on October 19th . At the next Board meeting, we will be able to provide a number of what that looks like, there was around 460 on the first two batches. The Friday before the next Board meeting, we will be able to look at the numbers and see how many customers are going to potentially be disconnected, those who are not able to keep up with the payment plan. We do not have that information because we haven't gone through a re-cycle for those individuals.

Mr. Bey asked if he miss it, and asked if we have a number of people that we have not contacted that are not in a plan.

Mr. Cisneros said we have contacted all of our customers, if they have not reached back to us, we have automatically put them on a payment plan.

Mr. Bey said then everybody is in a payment plan.

Mr. Cisneros said everybody is on a payment plan and he will get to an item Mr. Tompeck and he discussed last week and yesterday. He said after October 5th, we are no longer doing the automatic payment plan, we have in place Resolution 2009-13 J.4.a. This provides a customer the opportunity to get an automatic payment plan once every six months. Those customers that currently do not have an automatic payment plan, we will work with them to put them on a payment plan. They are customers that have been keeping up with their bill, but just made the list after October 5th. They were able to keep up with the utility bill and not hit the list, but just happened to hit the list after October 5th . We will try to work with those customers very closely. He believes that number as of yesterday was around 120 and they just made the list so we will work with those customers to make sure we reach out to them to avoid getting on the list for sure.

Mr. Cisneros said it is important to mention, there was a petition filed with the Public Service Commission on September 22nd. He said it was the Earthjustice Group and they had petitioned the Public Service Commission to suspend disconnects for 90 days. The Public Service Commission had 30 days to respond to any such petition and today at lunch or shortly after, they did issue a denial of that petition. That was mostly focused on Duke, Gulf Power, and FP&L. They denied it and we will continue moving forward with the October 19th date. Again, we will do our best to try and work with our customers on that list to keep them well informed and try to work to avoid a disconnection.

Mr. Bey asked if FP&L has a program similar to ours where they are waving fees or giving money to help pay delinquent bills.

Mr. Cisneros said he is not sure about waiving late and penalty fees, but he does know they have a payment program. He said as far as financial assistance, they are working with organizations like the Cares Act, Mustard Seed, ALPI, and those kinds of groups to direct people to that. He does not believe they have done anything like our sponsorship that he knows of. He is not sure if Mr. Tompeck knows of any.

Mr. Tompeck said coincidentally, they have had some of the same difficulties we had with getting people to come in to apply for these opportunities. He said it is on a much larger scale obviously.

Mr. Cisneros said if he goes back to the displayed slide, 274 FPUA customers out of the 44,000 residents in the City of Fort Pierce have applied for the Cares Act. He said there is still a lot of funding available so people really have to reach out to the County and apply because there is a lot of funding available for them.

Mr. Fee asked out of 274, how many were approved for the Cares Act.

Mr. Cisneros said all of them.

Mr. Fee asked if any portion of that money is paid directly to the FPUA or did it go directly to the customer.

Mr. Cisneros said that is a good question and from the Cares Act, all funding goes directly to the resident.

Mr. Fee said we have to rely on them to do the right thing.

Mr. Cisneros said the $4,000 gives them the ability to pay their mortgage, car payment, utility bills, and insurance. He said it all falls on the responsivity of those individuals to follow up. They do have documentation that shows they are behind or need assistance of some sort. Ideally, they will take those bills and pay those bills off with the funding they do get.

Mr. Fee said if there is enough there.

Mr. Cisneros said actually, he believes the average number was around $3,100, the average distribution to a resident, a pretty significant amount of money.

Mayor Hudson asked when we get to the 19th, it may or may not be 100 or 200 people or something like that or will it be a rolling number every day.

Mr. Cisneros said it will be a rolling number.

Mayor Hudson asked what kind of notice do they get of what is going to happen.

Mr. Cisneros said that is a very good question and he does not want to ruin the surprise. He said. Melissa will providing that information in the next presentation.

Mayor Hudson said she can wait.

Mr. Cisneros said he did not mean to put the pressure on her, but she actually does have a really good slide that goes over that. He said that is all he has and will be glad to answer any questions.

Mr. Matthews said one thing he has learned when paying attention to the news, is Florida Power and Light did advertise they were going to start the disconnect. He said it was on Channel 5 when that came across the screen. He referenced the lobby of employees and asked if there are going to be those who aren't coming back and will stay home, is that what the plan is.

Mr. Cisneros said no, all employees will be back in the office. He asked if he understood the question correctly, if employees are coming back? Yes all will be coming back to the office and we have put measures in place for social distancing in the lobby to help protect our employees for social distancing and we also have Plexiglas. We have quite a bit of distance between the employee and the customer to help with COVID-19 protocols.

Mr. Matthews said even though the lobby is closed, those employees will report to work.

Mr. Cisneros said they will and the idea is for all employees to be back to work as of last week with a couple of folks that needed to work out details and he believes as of Monday, they will all be back.

Mr. Matthews asked if FPUA has a charge for the radio advertisements that went out?

Mr. Cisneros said yes we did pay, quite a bit actually. He said Jann might be able to give you the exact number because she had to pay that invoice recently. It was a couple thousand dollars per radio station.

Mayor Hudson said she thinks this is a really good story and hopes there is a way to communicate it because we really have gone way beyond what as you said in the last meeting what most utilities have done and you don't know of another utility in the country that has done the outreach and the practically browbeating, whatever harassing or whatever word you want to get people to take advantage of the monies available and to work with them. She is just expressing a way or a wish that we can tell that story so that people understand what we have done. We here understand it and listen to it and if you see this meeting on television, you might understand it. It is really important because it's a good story for our company.

Mr. Cisneros said that he and Mr. Tompeck talked about this earlier today. He said we are one of the last municipal utilities to do disconnects and that is a big deal for our community. We really tried to make it as convenient as possible for the customer. That's absolutely right.

Mayor Hudson said right and they need to know it, all the customers need to know it.

Mr. Cisneros said that is a tough message.

Mayor Hudson said she knows, believe me, I know.

Attorney Koblegard asked if we have a way to test our employees if they want to be tested or can we set up some facility to have that done?

Mr. Cisneros said that is a good question and he would have to defer to Mr. Gang. He believes if an employee wants to be tested, we have plenty of options for them to go through their medical provider. We do not have any test at FPUA.

Mr. Tompeck said there is one other thing he would like to add. He said part of the decision to open the lobby has to do with the allocation of the Customer Service Reps. We have had a very high call volume over the last several weeks. As that starts to peter out a little bit and we hope it will, right now all of those people are answering phones. When it gets a little bit less, we will be able to bring some back to the lobby and be able to open up the lobby.

Mr. Tompeck said the next item is an information item on the Customer Service Billing overview and Melissa Martin will give the presentation.

Melissa Martin, Billing Customer Service Supervisor, said she will be giving a brief over view of the billing area and some of our responsibilities. She said the Customer Service Department is comprised of 26 total employees and today she will be focusing on the billing area which has four employees including herself. There are also three Billing Specialists; Shiloh Crawford, Stephanie Raulerson, and Monique Gilsinan. Together, we truly embody the spirit of TeamUA and she is very proud to work with such a great group. Billing has three main objectives: to ensure all bills are mailed accurately, all services are being billed in a timely manner, and to resolve any issues

so as to not affect the customer. FPUA's cash flow begins with Billing so it's paramount to adhere to these objectives. Some of the responsibilities for the Billing area include the billing of approximately 34,000 accounts per month, included in that is the mailing of approximately 26,000 invoices to customers monthly and 9,000 cut off reminder notices. These account for 20% to 30% of our customer base monthly.

Mrs. Martin said Customer Service loves reports. We do a lot of data mining and some of the more important reports for the billing area include the High/Low Consumption Report, which takes the current consumption and compares it to previous usage to find any issues for the customer. This could include a high cons for water, gas, electric, and any stop meters for the customer. The Zero Consumption Report, which returns any meters that have had zero consumption. This could indicate there's an issue with the meter and we want to put eyes on the meter to make sure we're billing accurately and it could also indicate tampering at the location. The Unread Meter Report gives any meters that were skipped or missed in a month and we want to make sure we bill accurately. We need to find out why we missed that for the month. The Wild Bill Report is our most important report, it identifies sizeable issues before the bills are in the customer's hands and we have not mailed any million dollar bills out and do not intend to, this is a very crucial report for us. Billing puts out anywhere from 500 to 1,000 service orders to other departments monthly. We work very closely with other departments within the UA such as Electric Utility Services, Water Distribution, and Gas Distribution. The majority of our service orders are for re-reads. We get the data and review it; however, it is really important to put the eyes on the meters so we send them out to the appropriate department for investigation. The final bill would be when a customer contacts us to turn off service, it is a miniature version of the daily billing that we do. We get a final read, produce a final bill for the customer, and refund any remaining deposits. Billing produces up to 50 adjustments per month and the majority of these are credits for sewer. We would give a sewer credit if they had a water leak and it did not enter our sewer system, which is the majority of them. In some cases, we do need to perform debits on accounts and the majority of those would be for electric tampering, which is pretty rare.

Mrs. Martin said the billing process begins with the Electric Utilities Service meter readers going into the field and getting a read. She said the foreman then imports the reads for the Billing Specialists to review and she is proud to say we did have our first AMI route last month and it went very smooth. We are excited to get the AMI system up and running on all meters. The reads are then reviewed by the Billing Specialists and if nothing out of the ordinary sticks out, we will go ahead and save that account to bill. If anything is out of the ordinary, we will send the service orders out for review to the appropriate department such as Electric, Water Distribution, and Gas Distribution. Once we get all the service orders completed and all reads entered into the system, we would then test bill or mock bill the cycle to ensure we have caught everything. Then on the day of the billing, we will finalize the billing and mail the bills to the customer. This process is about 50% manual and 50% automated. Even though we have a small group, we get it done and do a good job. The billing schedule is comprised of 18 overall cycles and these are a division of our service territory. We break them up into smaller cycles so it's easier for the meter

readers and billing area to get these bills out to the customers. Of the 20 working days of the month, Billing is producing bills 16 of those days and we leave a few days for catastrophes like hurricanes or the mail machine going down. There's an average of 2,400 bills per cycle and our largest route has over 3,200 bills and our smallest route has over 1,200 bills. Further division of these cycles are routes and the entire services territory is broken up into 230 routes. This makes it easier for the meter readers and the billing department to review the data before billing. The government accounts are set up on aggregate billing, which means we bill them once per month and they have many meters throughout the entire City and different cycles. To make it easier for our friends in the Finance Department, we make sure for the City, Housing Authority, and County that we bill them one billing register per month. There are 65 master customers currently with just over 1,200 bills mailed out per month. A master customer would be someone such as a homeowner association where they have multiple street lights and irritation meters. As long as they are on the same cycle, we are able to give them a billing register to make it a little easier for them. There are currently 32 customers receiving net metering solar power generation credits set by the FMPA every quarter and billing manually enters these credits based on the customer's consumption based on their solar reading.

Mrs. Martin said to give you the overall cycle of a bill, per the billing schedule, we bill the customer. She said they would have 20 days to make payment and on the 21st day a 1.5 % penalty is charged to the account and that is for that month's total bill. That same day a cut off reminder notice is mailed to the customer with the disconnection date. Two days prior to the disconnection date, an automated IVR phone call goes out to the customer reminding them to make payment so there's no interruption in the service. If after 31 days there's no payment on the account, we then apply a $15 late payment to their account and the account is scheduled for disconnection with Utility Services. If once the account is disconnected, seven days after that, there's no payment, the account goes to final status where we get a final read and refund any remaining deposits. If there's still no payment made, 30 days after that date, we would then send a letter to the customer they have a balance. Sixty days after that, we send the account to collections. From start to finish, they have quite a few reminders and notices.

Mrs. Martin said some interesting stats for the Board is in July 2020, we billed over 34,000 accounts at just over $10 million. She said were almost 59,000 reads for electric, water and gas processed and there were almost 900 service orders that went out to different departments within the UA. There were almost 95 cut off reminder notices mailed to customers and although we were not disconnecting during the COVID pandemic, these went out to the customers as part of the process for our billing and just a reminder for the customer of their account balance. There were over 6,000 e-billing customers and this number does grow monthly because it's a really easy way for customers to get online, review their bill, and make payments on a secure website. They can log on to FPUA.com. to sign up. There were 53 high/low factor customers, which is a customer that uses a large amount of power constantly, like the hospital or Publix. They do receive credits for this large consumption of power. There were 11 Economic Development Rate customers for the month of July. They receive credits for new business in the City of Fort Pierce and they are eligible for up to 5 tiers of credit based on how much power they are scheduled to

be using and more information can be found on FPUA.com. There were just over 1,200 master bills mailed and about 300 each for the City, County, and Housing Authority for the month of July 2020. Mrs. Martin said this concludes her presentation and she would love to answer any questions the Board may have.

Mr. Matthews said he will go slow enough to catch it because he has about six concerns and questions. He asked about the billing cycle and after we go out, when does that bill go to the customer after the worker comes back in with the billing report

Mrs. Martin said the whole process from getting the meter reader in the field, Billing takes approximately seven days. She said the division of the cycles into routes, so the meter readers will read the routes and then there's quite a few routes within the cycle, they return all that information to us, we will send any service orders out and test bill. From the meter reader going into the field, the billing is about seven days and then the account would bill and the customer would have 20 days to make payment.

Mr. Matthews said his next question is that, if a customer has multiple accounts and one gets out of line like you explained like the different days and times, will that effect any of the other accounts that customer has.

Mrs. Martin said no as long as they are not on a master billing account. She said if a customer has multiple accounts even if they are within different cycles, it would still only affect that one account. If they didn't make payment on apartment four, but one got paid, nothing is going to happen to the other three apartments, it would be just the one account that would be in danger.

Mr. Matthews said his next question is on flooding. He asked if there were any problems in the areas that got flooded.

Mrs. Martin said yes and what happens is the meter readers will go into the area and attempt to read the meter. She said if it is not able to be transmitted with the AMR or AMI system, we get that information back. We will find the meters and send them back out. They will pump it down with a hand pump or sometimes an electric pump that gets the water out and they will read the meters.

Mr. Matthews said his next question is the master customers. He said he can understand the Housing Authority and asked about the Federal Courthouse and if that is a master customer.

Mrs. Martin said a master customer is anybody that has multiple accounts within the same cycle and can opt to be on a master billing which is one register. She does not know for sure if the Federal Courthouse is set up on a master billing, she would have to double check that and get back with him. The majority of our master customers are homeowner associations that would be like Gator Trace and they have many street lights and irrigation meters on different accounts. They are on the same cycle and we put them on one bill.

Mayor Hudson asked if Indian River State College is a master customer.

Mrs. Martin said they are considered a master customer.

Mayor Hudson said she would think so because they have many facilities. She said when the School Board left Orange Blossom and went to Port Saint Lucie, we lost them as a customer.

Mrs. Martin said we lost the internet as the customer, but for the electric, water, and gas which is still within the city, those are set up on master billings also for the school board, each individual school.

Mayor Hudson said she was thinking about the district office.

Mrs. Martin said the district office is gone.

Mayor Hudson asked if FPUA calls two days before they're going to be cut off, is that right?

Mrs. Martin said yes, there is an automated phone call that goes out just reminding them to schedule a payment or they will be disconnected.

Mayor Hudson said if they are disconnected and want to be reconnected what kind of fee is that?

Mrs. Martin said there is a $35 reconnection fee that is assessed to the account. She said all of these fees are assessed to the next bill, they are not affecting the current bill so they would not have to make any of those payments when they are reconnecting. They would only pay their past due.

Mayor Hudson said they could be reconnected without paying the reconnection fee, but they would have to pay these other fees.

Mrs. Martin said not the late payments or penalties, just the amount of the bill due for that month.

Mayor Hudson said this question may be for Mr. Tompeck. She said at some point, maybe it's in the long range planning, she would like to know all the different fees we have. We probably pass them over time with resolutions and kind of know what the reason behind them and everything. She gets asked that and gets told tales and sometimes they don't sound real so she would like to know what the real story is, if you know what she means. She does not think she is real clear on all the different fees that we do.

Mr. Tompeck said FPUA has a specific Service Charge Resolution we can certainly discuss in detail if that is what you would like to do.

Mayor Hudson said at some point yes. She does not know if anybody else on the Board would like that, but she gets asked and told stories like I heard about this man who had this and she would like to know kind of what is behind the story and kind of be able to sort of sift it out or actually usually she just turns it over to Mr. Tompeck.

Mr. Bey said he actually thinks that is a good idea because there seems to be a great deal of misinformation that goes out in the community. He said sometimes it can be trying to keep up with all of FPUA's procedures and processes.

Mayor Hudson said yes, to know what the actual facts are because you do hear some wild tales.

Mr. Matthews said he knows the resident customers do but asked if the commercial customers get a pink slip.

Mrs. Martin said every customer receives one if they have not made payment the 21st day.

Mayor Hudson asked Mrs. Martin to refresh her memory, maybe Javy went over this. She said we have a zero payment plan and that is still in effect as of a certain date penalties go in effect, is that correct.

Mrs. Martin said as of yesterday, the 5th of October, we are resuming the late fees and penalties.

Mayor Hudson said whatever they have already done on that is on the zero payment plan is still in the zero payment, is that right?

Mrs. Martin said we have voided all late payments and penalties from March 18th until October 5th so none of those late payments or penalties were rolled into their payment plan. There is no interest, penalties, or fees on the payment plan itself.

Mr. Tompeck said the next item is an information only presentation of the 69 kV breaker replacement program and Eric Meyer will make the presentation.

Eric Meyer, Acting Electric & Gas Engineering Supervising Engineer, said he would like to discuss the replacement program of the 69 kV breaker and the first of the installations we did of these units for this year. Before getting into the details of the program, he will discuss the basic operations of the units. Essentially these units act like normal house circuit breakers. If there are too many things plugged into the outlet or the outlet experiences too much physical damage of some type, the house circuit breaker will trip and de-energize the circuit to prevent fires in the house. The 69 kV breakers act in the same way except they protect the big tall power transmission lines we see around town. In the bottom right-hand of the slide displayed is the illustration showing normal mode and operation mode. The transmission ring around the City of

Fort Pierce is in a loop configuration. This means the circuit breakers are protecting each end of the transmission line. In normal mode, the circuit breakers are closed and current is flowing normal through the transmission line. In operational mode from a temporary type of contact like a lightning strike, the circuit breakers will open and then immediately reclose to restore service in the transmission line. If a more permanent type of contact, like vegetation or traffic accident, the circuit breakers will remain open until a systems operation personnel can dispatch servicemen to the area and assess the situation and determine if they will remain closed and put back into service.

Mr. Meyer said a little background about our 69 kV Breaker Replacement Program, the breakers were approved on POA-19-10 by the Board on April 16, 2019. He said the POA states the replacement of 12 69 kV breaker units over the course of the next five years. On the right-hand side of the screen is a map showing the transmission ring around the City of Fort Pierce. The six substations that distribute power to FPUA's customers are also shown. There are four different 69 kv circuit breakers at each substation. There are two to protect the transmission lines, one going in and one going out as well as two to protect the power transformers that serve the customers of FPUA at these substations. The initiation for this program began due to two different factors: the circuit breakers we have are aging and the second being the circuit breakers have been designed using an old fashioned technology. The existing circuit breakers have been in service since the 70s and 80s on our system and are using an air compression tripping mechanism rather than the more common motorized tripping mechanism that is common in circuit breakers for today. The risk for these includes a slower operation time which can affect the health of the electrical system at large and increase the possibility for mechanical failure meaning excessive maintenance would be required. On the right-hand side of the screen is a picture of one of these units in service and he wanted to highlight this one in particular because the insulating medium in the circuit breaker is oil instead of a SF6 gas type which is what the new circuit breakers we have are included with. The SF6 gas is much less harmful for the environment than the oil that is in these existing circuit breakers. The new circuit breakers are equipped with alarms that can indicate if a leak happens in a new circuit breaker within seconds systems operations personnel will be able to be notified and will be able to dispatch someone to take care of the problem immediately. The existing circuit breakers we have in service do not have this capability currently.

Mr. Meyer said this slide displayed shows some of the pictures of the construction we did for the units earlier this year. He said FPUA has currently installed three out of planned 12 circuit breakers that we intend to install over the next five years. On the left-hand side shows the circuit breaker being mounted onto the pad and the circuit breaker did not come as assembled. We had to install the legs and take off the white mesh on the bushings to provide the connections for the circuit breaker. It's hard it see, but on the left-hand side of the picture are conduits running into the control panel going into the box which goes to the control house. The FPUA crewmen had to route the conduits so that cable could be provided from the control panel into the control house so connections could be made into the circuit breaker. The center picture shows an FPUA crewman working on the power panel for the circuit breaker. The circuit breaker

takes two different types of power alternating current and direct current. The alternating current is applying the heaters inside the circuit breaker control panel to make sure humidity doesn't build up and create water build up on the energized components which would cause damage. It also powers the lights so when FPUA crewmen are dispatched in the night, they can open up the control panel and don't have to use a flashlight to find out what is going on. The lights will light up the whole panel so the crewman can see. The circuit breaker takes direct current which is useful for the circuit logic inside the circuit breaker. The circuit logic is necessary because the circuit breaker communicates with other nearby breakers in order to operate and maximize its protection capabilities on the system of FPUA at large. The picture on the right shows two FPUA crewmen reviewing the design for the circuit breaker and it is necessary to make sure each connection is checked and rechecked so all the connections are appropriately made. If any connections are incorrectly placed or missing, the circuit breaker could experience damage inside the control panel and compromise the protection capabilities of the unit.

Mr. Meyer said the next picture shows a front and back of a circuit breaker control panel in the control house. He said the control panel on the front is on the right side and the control panel is very clean showing the buttons that can be used to trip and close the circuit as well as read the current and voltage going through the circuit breaker. On the back it shows a more messy picture with a lot of wires going every which direction. He wanted to highlight this in particular because the crewman need to be careful in making connections in the back of these units. The units not only do tripping on and off, but the circuit breakers also perform the necessary current metering and voltage metering necessary for SCADA communication as well as communication with the protection systems nearby. There are a lot of connections that go into these relays other than doing tripping on and off circuits. This next picture on the left shows the cabling that goes into the control house from the substation yard and it is quite a spaghetti bundle of cables. It is important for line crews to be able to mark each cable appropriately when pulling into the control house. If a cable is missed or mislabeled it could cause an issue inside the circuit breaker itself. It is very important for line crews to make sure each cable is marked appropriately and pulled in and landed so the circuit breaker can operate as intended. On the right-hand side shows a picture of the interior of the circuit breaker panel. This panel as mentioned previously does not do just only tripping on and off, it does current and voltage metering, as well as communication with nearby breakers. There are quite a few connections that go into the circuit breakers so line crews need to be very careful in making connections that no connections are missed or omitted or changed in and way.

Mr. Meyer said the benefits of the Breaker Replacement Program we have is the optimization over liability. He said the quicker reaction time of the circuit breakers make it so there's less time for current over flow and improving the health of the system and the reduced risk of mechanical failure. The ease of maintenance of these breakers include the enhanced durability. When these breakers operate, if ever done by a lightning strike, traffic accident, vegetation or accident, the circuit breaker can be expected to operate as intended without having a crew man go out and inspect the breaker to make sure it won't miss operate or will operate as intended the next time. The SF6 gas insulation is a big thing, it is less harmful for the environment versus the oil. Digital

diagnostic testing instead of having just a mechanical tripping on and off as our existing circuit breaker had. Substation crew men can inspect these with alarms and if any alarm happens, they can find the problem immediately and fix it within minutes, if possible. A spring motor reset is also included in these units instead of having an air compressor tripping mechanism, a simple button press can reset this breaker without issue. The cost saving to FPUA, the reduced risk of asset damage, increased health of the system is a big plus for these breakers and less maintenance, there is less time to go out and inspect them for problems. They can find the problems immediately in these breakers and put it back into service right away. Mr. Meyer said that is all he has and that he wanted to give a special thanks to the Substation T&D and Line crewmen for their help making this a reality. They did a really good job making sure this was done safely without issue.

Mr. Matthews asked if by the crew doing the hookup is a big savings also.

Mr. Meyer said it is all internal crews that did the installation of everything. He said we did contract a company to come in and test the breaker behind us to make sure everything was okay. We like to do that because they check our work and make sure there was nothing missed and have basically a second set of eyes to look at it for us and bless it for us.

Mr. Matthews asked if there are any warranties.

Mr. Meyer said yes, there is a warranty and he thinks it is 60 months.

Mr. Matthews asked what we do with the old ones and asked if they are junk.

Mr. Meyer said yes, they become junk. He said one they did replace had a bad tank, but the internal was still good, so we actually kept that one because we have that model of circuit breaker we have on the system so we kept it on the side in incase we have to use it for spare parts.

Mr. Matthews said his calculation is we have about 69 and they have been around since the 70s.

Mr. Meyer said that is correct.

Mr. Matthews asked if we are going to do 12 every year.

Mr. Meyer said 12 over the course of five years so about two or three a year.

Mayor Hudson said she has just one quick question. She asked if he said somebody still has to go out and that you cannot fix it remotely. She asked if it is just much quicker to address these.

Mr. Meyer said they can be controlled remotely, but if the circuit breaker locks up or goes out permanently, maybe due to traffic accident or some kind of contact on the lines, service crewman will need to go out and inspect the line to make sure the obstacle is cleared so the circuit breakers

can go back in. For something temporary like a lightning strike, they will automatically open and reclose to maintain service.

Mr. Tompeck said the next item is a FEMA Hurricane Reimbursement presentation and Laurie Pepple will make the presentation. He said we have talked about this a lot over the last several years and he thought it would be interesting for the Board to get an idea of what the challenges are associated with recovering funds from history.

Mayor Hudson said this is ancient history isn't it.

Mr. Tompeck said unfortunately it keeps repeating itself, but yes.

Laurie Pepple, Finance Assistant Controller, said we are going to review the storm expense and FEMA claim recovery process. She said recovering from a storm is both physically and fiscally 100% team effort at FPUA. Both activities show the FPUA team living the mission statement. FEMA is here to assist us and thankfully they have an extensive process to ensure their due diligence is done. She says thankfully because we are all taxpayers and we want to make sure they are paying only legitimate claims. This is a FMEA claim flow chart process and this was prepared by FMEA. As you can see, the process begins from FMEA's perspective when the disaster event happens. However, tracking the expenses, begins when the emergency protective measure phase comes into place and this is before the event. FPUA must track all expenses we incur in preparation for the storm during the storm, while monitoring and afterwards in the restoration phases. In the following FMEA claim process, the PDAs, the preliminary damage assessment, this happens and the governor requests the event be declared a disaster and FMEA initiates their programs. FPUA will attend applicant briefing meetings, organize and verify all expenses occurred and then submit a public request for public assistance. FPUA management will meet with FMEA on exploratory meetings and scope review. FMEA will form various projects depending on the amount of money and the type of expense that has been incurred. This is where the FMEA project review begins. The review translates into an audit and Ms. Pepple said she has been a CPA for over 20 years in the State of Indiana and in the State of Florida and these are some of the most extensive audits she has ever seen. When the audit is complete, the funds are then obligated, which means the payment is in process. These funds are sent to the grantee, which is the State of Florida and then they start their own review process. The funds are then paid to the sub grantee which is FPUA. Projects are reviewed and then closed out.

Ms. Pepple said FMEA will take these expenses and categorize them into four categories applicable to a utility. Category A is debris removal, Category B is emergency protective measures, Category E relates to buildings and equipment. Category F is the utilities restoration expense. FPUA must track all expenses before, during, and after the storm. Any employee who works during any of these activities must track their time, detail their activities, and any equipment used on an activity log called an ICS 214. Pictures should also be taken to substantiate damages during the restoration phase. FPUA attends meetings, submits claims through the RPA

and FEMA project formation categorizes the expenses by type and then total amount. Anything over $131,000 in total is considered a large project. These projects proceed through the reviews/audits before obligations. When the audit process begins, they can review up to 100% of this detail and can request for information which they call an RFI any types of contracts, purchase orders, quotes, and anything to do with payroll or policy. They can also request this of our mutual aid and anybody who assist us, any jurisdiction that assists us for mutual aid. They can also request this of any jurisdiction that lets us piggyback off their contractual services. After the review is complete, projects are declared obligated. Expenses are shared between the federal government, the state, and local which would be the FPUA. Payment is received and projects are closed out. Future audits are still possible for five years after payment is received and the closure of the projects.

Ms. Pepple said we have FMEA claims for four active claims for four storms that date back to Hurricane Matthew in 2016, Hurricane Irma, Dorian and the last Tropical Storm Isaias from August of 2020. During Hurricane Matthew we incurred Category A expenses (debris removal), Category B (Emergency Protective Measures), and Category F (Utilities Restoration). Hurricane Irma incurred all of these with some additional from Category E for buildings and equipment. In the past two years, when Hurricane Dorian was initially forecasted to have a direct impact on Fort Pierce at a CAT 5, Hurricane Dorian veered north at the last minute and we did not take a direct impact, but we still incurred some extensive Emergency Protective Measure expenses. We also had some Category F restoration expenses incurred. Similarly, initial forecasts lead Fort Pierce to prepare for impact from Isaias this past summer. FPUA incurred Emergency Protective Measure expenses in preparing for that storm. These storms are very expensive and for these four storms, FPUA has incurred $2,381,000 in expenses. FEMA made several adjustments to some of the older storms, the larger storms and these adjustments or denials were related to debris removal and to some extent relative to building expenses. Of the $107,000 that has been adjusted, $40,000 Mrs. Mika and she are working with FEMA, hoping to appeal that adjustment. That leaves $2,274,000 now currently under FMEA review. The FPUA portion is approximately $169,000. In 2018, we received $72,000 for Category A debris removal relative to Hurricane Matthew. This past fiscal year, we collected $375,000 mostly from Hurricane Matthew and Hurricane Irma. The remaining obligated amount of $536,000 is between Matthew, Irma, and Dorian and that means the payment is in process. It does not mean the check will be here tomorrow, but going through the payment process. We have open currently $1,122,000, $878,000 of this through Hurricane Irma, which is Category F. We are in the final stages of the review or audit and are working with Michigan Mutual Aid jurisdictions trying to get last minute details to try to feed this through. We have $223,000 open with Dorian and in review with the FEMA CRC, the audit is pretty much complete. Tropical Storm Isaias does not surpass the mark of a large project so we just learned in our scope meeting last week, we should be able to submit this and move through the payment process quickly. They told us to be prepared for the audit a couple years down the road.

Ms. Pepple said some of the challenges we face in the process are we have competing priorities during and after the storm. She said as we are both trying to physically restore the power and

do so in a fiscally economic manner, during the stress of the storm we must remember to keep track of all the expenses so we can report them in the approved manner FMEA demands. With many things in life, one of our greatest challenges can be flipped into one of our greatest successes. The team works very well together to do this and as an example of when we were preparing for Hurricane Dorian, we decided as we were preparing to start tracking equipment to throw another step into measure and to report the activity and the equipment charges. We were able to complete that very quickly and easily. That same point for Irma was held up this past summer in the review process and a team member spent several days during the summer taking the same data and re-formatting it so it could be presented so we could get through the audit. Additionally, there are changes to the FMEA reps/PDMGs, which is the Project Development Manager that FEMA assigns. For Dorian, we have had an active claim for 10 months and we are on our 3rd manager assigned by FEMA to review the claim. Each storm potentially has different costs eligibility or reporting requirements. There are time delays from expenses incurred to cash reimbursed. As a recap, we have incurred over $2 million in expenses, FMEA has made adjustments to $107,000, and expenses are shared between federal, local, and state governments. We began the collection efforts in 2018 and received $270,000 related to Hurricane Matthew that was Category A debris. FPUA received $375,000 in collections during fiscal year 2020 with another $536,000 being obligated. We are rounding the corner still under review audit or initial claim process for the remaining $1,122,000 and we are closing up those reviews, they are in process.

Mr. Matthews said when you look at FMEA, you just automatically have to expect long-term waiting, am I right?

Ms. Pepple said they have a very extensive process we go through, but as she said in the beginning, it is a good thing because we're all federal taxpayers and we have to know how to organize the data, how to get it turned in, and then we wait to hear back from them. They tell us what they want to either sample or audit, they can audit up to 100% of the data. We are pulling information and constantly feeding it to them or feeding it in the format they want to see it. They don't know our business so we have to explain our business to them with every step. Why was the expense incurred, what happened, how did it happen, tell us your story. We go through and thankfully the team works very well together teaching her because she does not know how to explain these things because she is an accountant. They help her tell the story or help Mrs. Mika tell the story. Yes it does take a while to get through the process.

Mr. Matthews said the thing that bothers him in this conversation of understanding, is if an employee of FMEA leaves does that sets this whole collection project out.

Ms. Pepple said they have assigned Dorian as the best example she can give you because we began that process in January of this past year. She said we are on our third manager that has been assigned to us. Thankfully we have been able to pick up the project and keep things moving but, Dorian was a small storm so passing that baton was easy. The impact we felt from Dorian was small compared to Irma or Matthew or anything from prior.

Mr. Matthews said you talked about the categories a while ago and he believes you had them from a to b, c and d. He asked if any of those categories are easier to receive the money?

Ms. Pepple said she does not know that any one of them is easier, Category B as we start going through the phases, preparing for the hurricane if the storm is imminent, we start collecting that information right away and start gathering. Everything must be tracked, if you use material, if you use a battery during your emergency protective measures, a tiny battery, we have to track that. Same thing with a pole or a transformer during the restoration phase, FMEA will ask for the invoice on that pole or the transformer and also for that battery too. We are pulling data constantly to substantiate the expenses.

Mr. Matthews said his last question is if the UA leaves to help another utility company, do both companies have to do reports?

Ms. Pepple said we in turn would bill the other jurisdiction and they claim to FMEA, but we will need to be able to supply them with the same data we would need to the same documentation, the justification for our billing, we need to supply that so they can file their claim with FMEA. Any mutual aid jurisdiction from what she can tell so far, she is working now with the jurisdictions in Michigan that helped us with Irma and we are trying to get policies out of them to turn around and submit them because they are funds that FMEA is reimbursing for so they are held to the same level of scrutiny.

Mr. Bey said this is an issue with FMEA, it takes too long, it is too slow. This was the issue that we talked about at the Legislative Rally in March. To give you an example, the Keys, he can't remember which storm.

Ms. Cavalcanti said Irma.

Mr. Bey said it was ridiculous. They had to get a loan in order to take care of their business while they were waiting on FMEA. We had a conversation with Brian Mast about this because that is a part of what we're doing. We go to lobby to try to get these issues resolved. However, he told us it is FMEA that takes a long time and you just have to wait. That is unacceptable to him, but the process.

Ms. Pepple said from what she understands with Irma, she was not a resident in Florida in 2017 and it did impact a big part of the state. She has talked extensively with members of FMEA and knows that pulled on a lot of resources from everywhere just as it did in state to recover. It is pulling on the FMEA resources also, just in size.

Ms. Cavalcanti said she also thinks for instance in June, it took us 12 years to get our money.

Mr. Bey said it's ridiculous.

Ms. Cavalcanti said it is a slow process.

Mr. Bey said when we owe them money. they want it and they will go in your bank account and take it. It is ridiculous and something needs to happen.

Mayor Hudson asked if Ms. Pepple has experienced any claw back with FMEA. She said she has heard about that anecdotally where they go back and re audit and say they want this money back that we gave you.

Ms. Pepple said we have been told Isaias will fall in the small project category. She said they won't do their audit on the forefront so we have been told to expect an audit in two years. Any project that goes through the close out process, we are required to keep our data for five years because they can open it back up and audit at any time. Hopefully at that point, we have kept very organized detailed notes.

Mayor Hudson asked if that has happened to us.

Ms. Pepple said not in her experience.

Mayor Hudson said you hear about it anecdotally.

Mr. Tompeck said the other thing on this subject, unfortunately, we are very experienced in it and prior to a storm hitting, Barbara will get all the folks together to remind them how to fill out the forms and what is required so it makes our paper process significantly easier.

Mayor Hudson asked how does this work with FMIT, our insurer, do they play a part in any of this.

Ms. Pepple said we cannot submit a claim for anything we have insurance on and she will have to defer that question if you have further questions on it to Mrs. Mika.

Mayor Hudson said she is sure we don't double bill.

Ms. Pepple said not at all.

Mayor Hudson said she just wanted to know how they work together.

Ms. Pepple said the first thing they asked us for is they had an applicant and tax summary for Isaias. We have never seen that summary before, it was not real extensive, but none the less it was another form to fill out before we had the initial scope meetings. The first thing they asked us for is our insurance policies and she uploaded them last week.

Mr. Tompeck said the next item request and approval of an increase of $3 per 1,000 kWh in the Power Cost Adjustment. He said in addition to the normal presentation by Barbara Mika he has asked Paul Jakubczak to provide additional rate change information from FMPA and Barbara will lead off.

Barbara Mika, Director of Financial Services, said she will provide information about the August power cost and updated projections through August of 2021. She said FPUA recovers the cost of our purchased power through customer billings. Power costs recovered that are in excess of the $79.52 base power cost are accumulated and are credited back to the customer through the PCA adjustment. A negative PCA adjustment appears as a credit on the customer's bill. The cost of power purchased from FMPA for the month of August was billed to FPUA at the rate of $67.49 for 1,000kWh, this was an increase of $2.85 as compared to the billing for July. In August, FPUA experienced an under-recovery of power costs from the customer of $401,376. The cumulative over-recovery as of August 31, was just under $2.6 million The chart displayed tracks cumulative monthly balance of the PCA over-recovery in relation to the approved Power Cost Adjustment levels back to August of 2018 and projecting forward for twelve months. The PCA is represented by the darker blue line has been at a negative $13 since May. The approved $2 increase brings it up to -$11 for the remainder of the projection. The blue bars represent the actual amount of the over-recovery while the orange bars depict what the over-recovery would be if the projections are correct. These projections have been prepared by Raftelis Financial Consultants and are based on forecasts prepared by Florida Municipal Power Agency. Since July's forecast, FMPA's estimate of the cost of purchased power for the upcoming 12 months has increased by 2.7%.

Mrs. Mika said FMPA has recently altered their method of calculation of their projected power costs and rates, passing along higher costs in the winter months and lower costs in the late spring and summer. They are essentially trying to accomplish the same goal FPUA is through our PCA. This change has impacted the forecast that is being presented here today. The next graph takes a look at the projections of the PCA recovery through August 2021 for each of these three different PCA scenarios. Based upon current projections, the grey line shows the trend with the PCA currently at -$13, moving to -$11 on October 1st and remaining at that level. The projected escalation in power costs will bring the PCA below the $1 million rate stabilization fund level in January 2021. The two other lines in red and green, display the models for both a $2 and a $3 increase in the PCA. Each of these options would provide additional cost recoveries for about another month to a month and a half. As you can see it will be in the February/March timeframe before we touch the rate stabilization level. This item provides you with the most updated information and analyses. Based upon these assessments it is the recommendation of staff that the PCA be increased by $3 to a -$8 PCA level effective November 1, 2020. Before you take any action on this item Paul Jakubczak will present further information regarding FMPA's projection.

Paul Jakubczak, Director of Electric and Gas Systems, said he is here it talk about our PCA cost escalators, there are three main portions and we will go through each one separately. He said the first one he wants to make sure everyone is aware of is over the past 30 months, our PCA has

been at a negative dollar value. That means we are under collecting from what our base rate is of $79.52. As you can see by this chart, it's been the 30 months and as Barbara previously mentioned, we have currently given back and refunded to our customers more than $2.6 million over the past year. Talking with FMPA, we questioned why the projections for the cost was going up. One thing they mentioned is the forward curves for gas are going up. The gas curve has changed from $2.50 per MMBtu to almost $3.50, that is an increase of almost $1. If you look at the light blue line you can see the August 6th date and then you compare that to the red line which is the budgeted line, we are actually starting to see a little bit of an increase. But if you compare that to the dark blue line, the dark blue line shoots up in the winter months starting in October through and coming back down above what is projected for their budget. One of the things they are looking at, as we all know, a lot of our electric prices are based on gas prices.

Mr. Jakubczak said he did look this afternoon at the gas forward pricing and they are looking at over $3 between December and March and then dropping down to the upper $2 in 2021. He said gas prices are on the rebound so if you invest in gas, you are going to see the stock prices go up. If you use a lot of gas, you will pay more for that. The next thing he wants to talk about is the new rate structure FMPA is putting together. One of the things you heard from Jacob Williams, the FMPA CEO, he's trying to switch more of a cost to a fixed cost and less on a variable cost. They are changing the way they are billing demand, instead of doing a demand on an actual monthly bill demand, they will be doing it on a four-month summer average and that's going to be averaged over the previous three years. So for instance, they will take FPUA's average demand for June, July, August, and September for every year and in taking those three years and divided by the three to give you the average for the next coming year. So if we have a higher demand for this year, it's not going to show up until the average on the next year when they look at pricing. One of the things they are also going to do is a true up. Let's say it's not 90 degrees every day with 100 percent humidity next year our demands go down, there will be a true up. We will see a reduction in what the costs will be based on what the demand costs are. A lot of variable costs are tied to the gas markets. As we saw on the previous slides, the gas markets are going up in pricing. One of the things FMPA proposed for this is to eliminate the weather roulette. If you know what roulette is, it's all a gamble. What this is doing is levelize the playing field, so when you have the spikes in the winter and summer months, you are not going to see those affect as much as the pricing if they were doing their normal not levelized and averaged out. One thing of benefit they are looking at is in future, the ability for each of the utilities to load manage their systems. What does that really mean? We can trim down our peaks by running the generation that we have at the Water Plant, at the Wastewater Plant, at ESC, and our Admin buildings. We can run those to peak shave the load to drop our bills from a utility perspective. We also may look at programs to where we talk to our customers that have large generation to see if we can develop some type of rate to assist them to shave their loads which will help FPUA save on their bills. The other thing you don't see on here is the transmission rates are going up. FPL has filed a rate transmission case with the PSC to increase transmission rates across the state. FMPA's legal team is working on trying to negotiate those rates down and working through the PSC process to get those down. Right now in this current budget, FMPA's transmission rate was $2.80 per kW and they budgeted $3.65 per kW. They are anticipating those rates to possibly be even

more than that, but right now this is what they are hoping to negotiate through there. As Barbara mentioned, when FMPA puts this together, one of the things they looked at doing was increasing cost in the winter and decreasing costs in the summer. They know in the summer Floridians need that energy and they are using a lot of it. We can provide a way to lower those costs in the summer months and gain in winter when we get some of the snow birds coming back, it will be a benefit for the entire state and the municipalities they serve. What this is showing here, the dark blue line is actually the actual of what we paid back in FY '19 for our energy bills. In the green line, is what they would have been if rate structure was in place. So as you can see, we are in the winter months so those costs are going up, you can see in the March/April time frame, those costs will be down compared to what they previously were. We asked FMPA to give us a projection based on FY 20 and that is on the next slide there. The trend is still there that you are going to see a little higher in the winter months, a little lower in the summer months. The reason you are not seeing quite as much spread between the two lines has to do with the low gas prices. We know the variable cost in a majority of our energy is on gas prices and we all know gas prices were really low so that is why there is not much of a difference between those two lines. We are looking at roughly 1.2% or 1% to 2% decrease for this fiscal year and 1% to 2% increase overall for last year. Just to give you an idea, they are trying to keep it revenue neutral or less cost effective so you are not relying on one subsidized utility to pay for another subsidized utility. They are trying to work that end with 13 different members from all over the state to where there is a lot of heating load that is done in the northern portion of the state to Key West and where we really don't have too many people turning on the heat, it's more of an air conditioning load. We would be happy to answer questions you may have before you decide to vote.

Mr. Matthews said he had one question, in the four-month cycle, have they already basically picked the four-month cycle or do we have a chance to suggest it.

Mr. Jakubczak said they already determined the summer months is where they find the most rate disparity between the northern and southern part of the state. In order to make it best for everyone and alleviate the higher prices in the summer, they chose to do it over the summer peak. He looks at it from this standpoint, let’s say our average is 100 megawatts over those four months, if we go down to 80 megawatts, we will pay a little bit more in the winter months, but at the end when they do their true up, that is when the difference of the 20 megawatts will show up in the following year. It is next year's look out is the way they do it and if we have an increase in load, we are going to benefit from that because we're still only going to pay the 100 megawatts. If we have a 10 megawatt customer and it goes above that for that period of time, for those next three years, we're going to see a benefit until the 10 megawatts shows up on the three-year average.

Mayor Hudson said it sounds like FMPA has been listening to Madam Chairman because it's the same philosophy. She said she cannot support $3 right now, that is a $3 increase in the bill. She is letting the Board know that right now. We are still in COVID and people are still struggling and we are still working with our customers and so she won't be able to support that.

Mr. Bey asked if we go against what the recommendation is, what is the consequence, what will happen?

Mr. Jakubczak said he will attempt this and said if we go to $2 instead of $3 or something different, eventually we're going to have to do a larger increase in the future only because some of the projections that we are seeing for the outlier months coming up in FMPA's projections are more than the $79.52. We have seen projections around the $90 mark which we hope we can control with the gas prices and some of the gas contracts we have. Eventually, we are going to have to pay the piper for the higher cost of energy.

Mr. Bey said basically what is happening now, all those good days have come to an end.

Ms. Cavalcanti said if you go to the slide 30 months under-collecting and take a look, she is going to differ from the Mayor because what month are we going into, this increase will take effect in November. Most of our utilities bills are one half to one third of what our consumption of electric is one third to one half of what our consumption is in June, July, August and part of September. If there is any time that we should increase our rates and that's what we are doing by reducing the PCA, it is in these months. We want to share the pain with all the people from up north who are going to come down here. Why should they benefit, her question is this, natural gas costs are going up, therefore our costs are going up. Why should they benefit when we are paying the high prices in the summer? If you take a look at this 30 months, look at July and August of 2018, we have a negative $2 PCA. She said if you go back to March and February of 2018, it was probably a negative $5 PCA. But guess what, in May, they come out with we have had an extremely cold winter up north which they weren't paying for so therefore we in Florida get to reduce our PCA to a negative $2. All right, then you look at, go to October, okay it is pretty good now. Winter residents are here, let's lower it down to negative $5 so everybody gets to pay less money. You see that, goes all the way down to 2019, then going down to December of 2019. Okay, again, winter residents, we get to lower to negative $10 and granted, we did not do anything this year even though we were eating into it because of COVID. So we lowered it to negative $13 because for example, FPL went to $25 rebate essentially or credit or whatever they wanted to do. All she is saying, if there is any time we need to increase the bill or lower the PCA, it's now. Then in June, what we want to do is turn this around and make the PCA go to a negative, we are going to negative $8, right?

Mrs. Mika said that it is the proposal.

Ms. Cavalcanti said we are going to negative $8, we go back to negative $10 if we can, but her point is, why is it every time we are lowering our PCA, it is in the winter. That is what we have done since she has been on this Board seven years. She is going to differ and support you guys for it, but she can't make a motion.

Mr. Matthews said he can take the staff recommendation and offer a motion to approve the dollar increase.

A motion was made by Mr. Matthews, seconded by Mr. Bey to approve an increase to the Power Cost Adjustment of $3 per $1,000kWh, from -$11 to -$8 per 1,000kWh, effective November 1, 2020. Those voting for approval were Mr. Bey, Mr. Fee, Mr. Matthews, and Ms. Cavalcanti. Mayor Hudson voted no, the motion passed.

Mr. Tompeck said the new FPUA.com website went live last Friday. He said we did an extensive amount of testing prior to releasing and had very few problem calls to date. He said he knows Mayor Hudson is going to disagree with that because of the one we got over the weekend.

Mayor Hudson said she is not going to disagree that was just one long one

Mr. Tompeck said he wants to publicly thank the team of Tom Fryar. Jann Widmayer, Tina O'Connell, Gina Morris and others he may have failed to mention, they did a great job. We are working on the Capitol Project Expansion Plan which will be part of bond refinancing. Based on the expansion work, we will schedule a Board Workshop in late October or early November to review the projects and go through the refinancing process with the Board.

Mr. Tompeck said a couple of months ago, he told them about the $505,000 grant we obtained from the DEP for Fleetwood Acres. He said we have been working with DEP on the grant and they asked us to restructure it slightly. We are going to increase the wastewater services available to the maximum number of homes possible. Our original estimate was 83 residences and that will be increased to 300 residences and we can do it within the scope of the grant. Some of those residences will be outside of Fleetwood Acres and that is a real positive thing.

Mr. Tompeck said this past Sunday, we did have a discharge of approximately 500,000 gallons and he is going to emphasize this, fully treated, rain diluted effluent into the Indian River Lagoon. Yesterday we had 170,000 gallons discharged into the river. All of our equipment was working properly and all of our procedures were met. It was simply a case of the system being overwhelmed by the equivalent of 20 million gallons a day where the system is designed for about 15 million gallons a day. Our normal flow through the system is about five million gallons a day. You can see we spent a lot of money treating rainwater over the last couple days. We made the appropriate notifications to FDEP and we have testing under way and do seven days of testing. We do not expect to have problems with the testing, but will not know for a few days.

Attorney Koblegard said really no legal matters to talk about. He said apples and oranges, he may be missing the point and asked if anyone has considered budget billing, that is what he does. He pay $450 every month, 12 months out of year and at the end of the year, it's adjusted either up or down. You have the same bill in the summer and the winter and you know in advance what you're looking at each month for the next 12 months.

Ms. Cavalcanti said except for that same kilowatt hour cost you less hopefully in the summer the way we are kind of going now than those kilowatt hours in the winter. Even though it's $450 every month, it is still certain months are costing you less per kilowatt hour.

Attorney Koblegard said you know in advance what you're going to owe for the whole year rather than worrying how high your bill might be in the summertime, compared to a lower bill in the winter time. Won't matter on the PCA. It makes sense to him to know exactly what you're going to pay and not be surprised every month.

Mayor Hudson said the customers has that option, they can request it or pay exactly what they use.

Attorney Koblegard said they have gotten it lowered just as much as it's been raised over the last five years or so. It varies back and forth and is never too far off. Just a thought.

Mr. Bey said he thinks that's a great idea, but the problem we are having with our ratepayers, is it doesn't matter what it is, it is money is just not there to pay it. So, what he means is Mr. Koblegard's idea is good, but what we need to try to figure out is how can we get more money in their hands by jobs and other ways so they can afford to pay our bill. That is the challenge he thinks in his opinion.

Mr. Matthews said about August he brought it up the project on 17 Street should have some type of sign and he has not seen a sign yet. He asked if it was a thought by the administration to get that done.

Mr. Tompeck said the signs are in printing.

Mr. Matthews said like someone told me about my check, it's in the mail.

Mayor Hudson said she has been appointed to the FMIT Board and is on the board of the insurance carrier for the UA and the City. She had her first meeting.

Ms. Cavalcanti asked if she will lower our rates.

Mayor Hudson said she will try to deliver that, just like Paul delivers lower rates for electricity, right?

Mr. Matthews said he has another question since the Mayor has energy left. He said he noticed in the meetings and he hopes she can help us out. He said your City staff is never here, your administrative staff or the City Manager needs to be here. He thought it would be nice to have

them here. Mr. Matthews said when he first got on this Board, they were sitting here and now they have vanished away. If that is a sign they don't like certain things the UA is doing, we still need a good relationship in bringing them here.

Mayor Hudson thanked Mr. Matthews for sharing that. She said she does not know if you watched the meeting last night, but he missed meeting last night. He called from home because of a personal situation that he's dealing with. So he wasn't even at our meeting, but did call in and she will mention that to him in terms of the FPUA meeting.

There being no further business, the meeting was adjourned.

ATTEST:

Deputy SECRETARY

VICE CHAIRMAN