MINUTES OF A REGULAR MEETING OF THE FORT PIERCE UTILITIES AUTHORITY, TUESDAY, NOVEMBER 17, 2020, 4:00 P.M., CITY COMMISSION CHAMBERS.

Members Present: Chairman Glynda Cavalcanti; Vice Chairman Charlie Frank Matthews; Deputy Secretary Frank H. Fee, IV; Kristina Gibbons *(Via telephone)*; and Nick Mimms, Ex-Officio Member/City Manager.

Excused: Mayor Linda Hudson

Others present: John K. Tompeck, Director of Utilities; Rupert N. Koblegard III, FPUA Attorney; Barbara A. Mika, Director of Financial Services; Paul A. Jakubczak, Director of Electric & Gas Systems; and Bo Hutchinson, Director of Water/Wastewater Systems; Javier Cisneros, Director of Utility Support Services; Joshua P. Gang, Director of Regulatory Affairs.

The meeting was called to order by Chairman Glynda Cavalcanti.

Opening Prayer was by Carol Wilson of FPUA Human Resources.

The Pledge of Allegiance was recited.

The roll was called and a quorum declared.

Ms. Cavalcanti asked for a motion to excuse Mayor Hudson, her husband is in the hospital.

A motion was made by Mr. Matthews, seconded by Mr. Fee, and unanimously approved to excuse Mayor Hudson from the meeting.

Presentation by Corporal Jack Nash, Community Relations Liaison and PIO for the Okeechobee County Sherriff's Office to Dillon Resendiz, Distribution Mechanic III of Gas Operations. Corporal Nash said good afternoon to everyone and thanked the Board for having him. He said what brought him here today is actually one of FPUA's employees and he will give a little back story and then educate the Board on what this young man did. He has been in law enforcement for 27 years and has seen a lot come and go and seen a lot of people do some amazing things, but this one definitely takes the cake. He said imagine being 17 years old, on your way to school, the worst thing you are worried about is if everybody notices your new outfit or if you have a new pimple, especially if you are a female. You are a young girl going to school and the next thing you know is you wake up and are pinned underneath something extremely heavy. You smell smoke and feel the heat and cannot get out of it, you just know you are in trouble. Corporal Nash said let's flip to the other side of this, imagine you are on your way to work, going to have a normal day thinking about what you guys have to do that day. He said you pull upon a traffic crash where a full size pickup has ran into and under a semi-tractor trailer. You also realize that tractor trailer is on fire and there is someone inside screaming for help. Everything you try to do with your

hands just does not work, there is another gentleman there, you and him get together and come up with a formulated plan, you grab a chain, pull her door open, reach inside, move some things, pull that young lady out, and save her life. Mr. Dillion here did that in September and we honored him yesterday with the victim also which was a surprise. He said she had gotten out of the hospital and told Corporal Nash she wanted to attend. Mr. Nash wanted to present again today to Mr. Resendiz from all of us at the Sheriff's office and more so the victim and said there should be more people like you son and hopes he knows that. He can call him that because he is over 50.

Corporal Nash said they wanted to give Mr. Resendiz the special recognition award from the Sheriff himself and thank you for everything you do. He said the definition of a true hero is doing something and not getting recognition expected for it. That is exactly what this young man did, after he helped the girl and EMS got on the scene, he just got in his vehicle and came to work. No one probably knew anything until he started making phone calls and telling them what he had done. For that besides giving Mr. Resendiz this plaque, he wanted to also invite everybody here to thank you (the audience clapped approval). This employee you have is a definition of intrepidity, if you do not know what it is, look it up. Corporal Nash thanked the Board for having him here today.

Ms. Cavalcanti thanked Dillion and said she actually saw it last night on the news, channel 5.

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

A motion was made by Mr. Matthews, seconded by Mr. Fee, and unanimously carried to approve the Minutes of the Regular Meeting of October 20, 2020.

A motion was made by Mr. Matthews, seconded by Mr. Fee, and unanimously carried to approve the Minutes of the Special Meeting of October 22, 2020.

Shawn L. Morgan of 2406 North 43rd, Fort Pierce, said he is here as a taxpayer and a young man invested in the community that is trying to buy property to beautify the City. He has an issue with a real deal in excess of almost $5,000 and it was almost prior to him purchasing the property. They are saying the property was using over 500,000 gallons of water which is almost the size of an olympic sized pool and is almost impossible. He tried numerous times to go through the utility department to get this issue taken care of, but to no avail. He is trying to get this waived off the property for the fact the meter was pulled in 2010 and there has been no utilities, no plumbing, and no electrical there, and he had to pull the permits to get those necessary corrections before

he could covert it. He is still stuck with this bill and is trying to figure out how he can get this waived since there was no utilities, no water lines, or anything connected to the house. He is trying to figure how he could consume 500,000 gallons of water and is asking the Board if they can waive these fees and get him some help on getting the lien removed from his property. Mr. Morgan said he has copies he can submit to FPUA of the issues, which he gave to Mrs. Mazzarella.

Ms. Cavalcanti said she has a question for Mr. Koblegard. She asked if that would be a lien that would have come up on the closing if it was before he owned it.

Attorney Koblegard said it is really hard to say without knowing more facts.

Ms. Cavalcanti asked Mr. Morgan if this was all before he owned the property.

Mr. Morgan said yes, it did not come up at the time. He said the company that owned the property prior to him lived in South Carolina.

Ms. Cavalcanti asked if he went through a normal title company.

Mr. Morgan said yes they used someone in Orlando.

Ms. Cavalcanti said she should have asked Mr. Fee. She said Mr. Morgan has an issue against the title company.

Mr. Fee said it certainly sounds like that and sometimes these municipal liens do not have to be recorded by statute.

Mr. Morgan said it did not come up.

Attorney Koblegard said we need more facts before we can help him.

Ms. Cavalcanti said she thinks everybody is willing to look into this and help you, if you will leave your information, we will all work together to get something resolved.

Mr. Matthews asked *"inaudible".*

Mr. Morgan said yes he found out the meter was removed November 6, 2010 and the house was vacant since that time.

Mr. Matthews said the person you bought it from, the authority needs to know in 2010 who actually owned it.

Ms. Cavalcanti asked if it was the water meter or the electric meter.

Mr. Morgan said the water meter, they were both removed, so there was no electricity, it was disconnected from the pole. He said he pulled all the permits to get the electricity and the water turned back on in the residence as he was remodeling.

Mr. Matthews asked the Mr. Tompeck if that could be taken care of in 30 days.

Mr. Tompeck said we will take a look at it and need to know the details and will get back to Mr. Morgan as soon as we can.

John Kevin Griffin of 1913 York Court, Fort Pierce, said he lives next to St. Mark's Catholic Church and are in the City. He said we are sandwiched in between Orange Blossom Estates and the reason he is here is to find out who he can talk to or how does he get the ball rolling to get sanitary sewer in his neighborhood. He thinks they have been in the City of Fort Pierce and has been here 15 years, but there house where they are at in Tarawood Subdivision has been there he believes before 1980. The problem he has is there are a lot of non-conforming lots there including his, they are obviously before the development code. They have a problem with the rising level of the groundwater and cannot sustain it much longer. The waste systems they have in place in Fort Pierce is a septic system and it is probably cheaper to be on septic system these days than pay the FPUA fee. He does not mind paying a fee if it is reasonable, particularly since he is kind of stuck because geology is not going to last to maintain their system they have in place right now. Mr. Griffin said he has asked everybody, he has talked to the City Council people and also been to the City, been referred to FPUA. He said FPUA people are really hard to find, this is why he is at this meeting. The people at FPUA do not talk to you, he called on the phone and the person they refer you to is somebody who works in the sanitary sewer department and they do not talk to you because we have to talk to somebody else. He has been circling around this hamster wheel and he does not know if anybody here is a veteran, but if you have been to the VA, when you make a claim or try to get medical care, it is like a hamster wheel for a veteran. It takes such a long time to get a result and he is going to cut the hamster wheel off and stop it and talk to you direct and here he is. He is a little surprised though and asked if there are any elected officials up on the Board.

Ms. Cavalcanti said we are an appointed Board, the Mayor is out today because her husband is in the hospital.

Mr. Griffin said he has been before the City Council or Commission, whatever you call it, and he thought there was a position for a Council Member on the Board.

Ms. Cavalcanti said there is, the Mayor.

Mr. Griffin said just the Mayor.

Ms. Cavalcanti said yes.

Mr. Griffin said that is interesting anyway, he kind of figured FPUA is kind of like a taxing committee. He said another words you take tax from us by raising our rates, but he does not care about the rate on this particular sewer as long as he gets sewer. The people on our block would be willing probably, they would go for it.

Ms. Cavalcanti said we have a five minute limit and that is what the buzzing was.

Mr. Griffin said who do I talk to about this.

Ms. Cavalcanti said she is going to put him in touch with Bo Hutchinson, who is head of Water/Wastewater System so he will talk to you.

Mr. Griffin asked if Bo Hutchinson is in charge of wastewater.

Ms. Cavalcanti said yes and water.

Mr. Griffin said one other thing if you will indulge him for one more second or actually a minute. He asked if there is some kind of program FPUA is putting out to branch out with the sanitary sewer at this point and time.

Ms. Cavalcanti said she will let him talk to Mr. Hutchinson.

Mr. Griffin thanked the Board.

Ms. Cavalcanti said we will move to the consent agenda and guesses we have to pull Item 1.

Mr. Tompeck said we need to pull Item 1 because the Charter requires we have a full Board before we make those changes.

Ms. Cavalcanti said sorry Mr. Matthews.

Mr. Matthews said he will hold his comments until later, but thinks this substance is not only for the Director, but the Attorney ought to get involved with. He said this is going a little long and he had it at the end of the meeting to make a comment about this same item, but will do it at the end of the meeting. We will pull the item out and he will make the motion to pull the item because it is in conflict with the Charter.

A motion was made by Mr. Matthews, seconded by Mr. Fee, and unanimously approved to pull Consent Agenda 1.

A motion was made by Mr. Matthews, seconded by Mr. Fee, and unanimously carried to approve the remainder of the Consent Agenda items #2 through #5.

1. Approve the following recommendations to maintain an orderly progression of officers in future years: Mr. Charlie Frank Matthews, Chairman; Mr. Frank H. Fee, IV, Vice Chairman; Ms. Glynda W. Cavalcanti, Secretary; Mrs. Kristina Gibbons, Deputy Secretary; and Mrs. Linda Hudson, Mayor/Member.

2. POA 19-40: Approve the sole source purchase of Influent and Effluent Pump Systems for the Lime Stripping Tower No. 2 in an amount not to exceed of $157,526.53 from PSI Technologies Inc., of Riviera Beach, Florida.

3. Approve a Budget Transfer in the amount of $151,000 to complete the Emergency Fiber Replacement between the Garden City and Julia Substations. Project total will be $200,000.

4. Approve the requested budget transfer for the Gravity Sewer Main Replacement Project in the amount of $115,000.

5. POA 15-11: Approve the single source purchase of DFW Meter Boxes, Lids and Miscellaneous parts from Sunstate Meter & Supply, Inc. of Newberry, Florida, in an amount not to exceed $188,303.80 annually for five years, for the period from November 1, 2020 to October 31, 2021.

Mrs. Mazzarella read the following letters of appreciation into the record:

An email was received from Nick Danaluk thanking Antonio Gonzalez of Electric T&D for diagnosing the problem and fixing the flickering lights in his condominium.

An email was received from Shawnee Zouhir thanking Raul Barrera of Customer Services for his service skills in helping Carlton Robinson at his Portofino Landings Apartment.

A letter was received from Mayor Jeff W. Hall from the City of Alexandria thanking FPUA for generously sending manpower to help with the cleanup and repair of their power infrastructure after Hurricane Laura. *(In attendance from Electric T&D were Maurice Bacon, Kevin Parrish, and Mike Goldsmith).* Ms. Cavalcanti thanked the employees for their service.

A compliment was received for Scott Ruby of Water Distribution from Angelia Coe for him fixing her ongoing low pressure problem.

A phone call was received from Fred Hellthaler thanking Andre Cleveland of Water Distribution for his excellent service in repairing his water leak.

Mr. Tompeck said the first item tonight is a presentation by Javy Cisneros on the status of delinquent accounts and a recommendation to initiate service disconnections on November 30th.

Javy Cisneros, Director of Utility Support Services, said he is here to provide information to the Board why it's time to resume disconnect for nonpayment. He would like to start off by providing a quick summary of the efforts we've made to date to help avoid disconnecting our customers. He wants to emphasize we really want to work with our customers to avoid disconnection by all means possible. Starting with late and penalty fees, on March 18th we discontinued disconnects and put a moratorium on disconnects for electric for non-payment through the end of the year. To date that amount stood just over $529,000 so it has been a big release for our customers. As you may recall back in late April, we made a decrease in the power cost adjustment of $2 per 1,000 kilowatt hours per month until October 1st when the PCA was adjusted. Additionally, we developed an FPUA COVID-19 Relief Program of $200,000, it was originally $100,000 and we dedicated an additional $100,000 to the program. To date we have issued payment for vouchers or for hardship affiliate form approvals for just over $112,000 to our customers. We also are reviewing the list of the applicants that have submitted an application to St. Lucie Cares Act for individual assistance. That list is just over 312 customers in which Mr. Cisneros received this information on Friday and followed up with the County on Monday. Those customers for the individual assistance portion have received their payment over the last 3-4 Fridays. November 6th was the last issue of distribution of funds for financial assistance to these customers. They should have plenty of time between November 6th and December 1st with the recommendation we are making today for disconnect. We developed the Automatic Payment Plan in August and that did help avoid disconnects in August and September. It is important to summarize that the program has actually been pretty successful, 85% of the customers in September kept up with their payments that were put on the automatic payment plan Seventy four percent of those customers continue to stay current with their payments and the reason you had the dip is because we suspended disconnects on October 20th and 22nd That's why you saw a little bit of decrease.

Mr. Cisneros said additionally, he would like to review some of the punch list items we discussed at the October 22nd meeting. He said we talked about the Cares Act list and anyone on the list will not be disconnected. As of November 6th everybody on the Cares List did receive funding so those customers will now be back on the list. We are calling all of our customers to ask for payment to talk to them about their current utility bill and discuss payment options with them. If they are not able to make payment for their current bill which would get them off the

disconnect list, then we will work with them to do a good faith payment. To date we have 50 customers that have taken advantage of the good faith payment program which is fantastic. For review, residential customers for good faith payments that's 25% of their bill, up to maximum of $100. For commercial accounts 25% of their current bill and that would get them off the disconnect list. The residential hardship affidavit we developed, the sponsorship, the $100,000 COVID relief fund, we wanted to streamline the process to get our customers to help distribute the funds for those customers who applied. We developed the hardship affidavit form and distributed it to Mustard Seed and ALPI and that form will be used to distribute the rest of the funds. The COVID-19 Program gives residential customers up to $400 for utility assistance and that does apply to their bill to avoid disconnects. He will discuss more about the distribution between ALPI and Mustard Seed and the FPUA hardship affidavit in the next slide. We talked about no disconnects the week of Thanksgiving and Christmas and will continue to do that, no changes there. We will also be on three-day schedule for disconnects, Tuesday, Wednesday, and Thursday as Mr. Fee had suggested during the October 20th and 22nd Board meetings. The Friday before they are scheduled for disconnect, we will do a door hanger on those customers scheduled for disconnect. We will call the customer, do an automated call to remind them their bill is due three days out. We will give them a personal call two days before they are scheduled for disconnect. If we are not able to get in touch with them, we will follow up a day out and give them a personal call.

Mr. Cisneros said the COVID-19 sponsorship, Mustard Seed we dedicated $100,000 to Mustard Seed and to date we've approved 200 vouchers for just over $66,000. He said we have three vouchers pending for just over $1,100. ALPI we have $50,000, approved 90 vouchers for just over $26,000 and 11 vouchers pending for just over $2,800. The FPUA hardship affidavit we dedicated the additional $50,000 we did not allocate to ALPI, we took at the recommendation of the Board and used it ourselves. We have approved 61 vouchers for just over $15,000. We have received a lot of applications and as you can see here we reviewed over 467 applications, very large portion of those are people who already received assistance or they are not on the cut list. Again we're trying to review this to minimize those customers on the cut list. The guidelines for applications is you have to fill out the application in full and it is a pretty straight forward application. You have to identify whether you had a loss or reduction in work hours due to COVID or you had an increase of utility consumption of more than 10%. Most of that is related to someone moving in with you and increasing your utility bill. Income loss due to COVID because you are not able to send your kids off for care so if you have child care needs, we do add that as another reason and any kind of medical expenses that we're directly related to COVID-19 where you weren't able to pay utility because you had to take care of medical expenses. Mr. Cisneros said he has posted this to our website if anybody is interested and if you go to the website you will see the form is in the top center of the page. If don't have a computer you can call FPUA at 466-1600, extension 3900 and we will work with you to fill out the application, we have done that quite a bit.

Mr. Cisneros said some information about our bond covenants, Resolution UA 85-29, a 1985 resolution specifically was written at the recommendation of our Bondholders so we would identify that FPUA would protect the financial integrity of the system so we could repay the bonds for money we borrowed. This is very important. Pursuant to that resolution there's three bullet items he would like to identify. The first one is FPUA is not allowed to give away or render any free services to our customers, that's very specifically identified in the resolution. We're also required to disconnect until all amounts are paid in full. The next item is we are obligated to enforce the collection of any delinquent accounts. Understandably with COVID-19, it has been a rough year and we have stretched these rules quite a bit over the last ten months or so. He thinks we've stretched it quite a bit. We did receive a letter from our Bond Counsel on November 5th and they specifically identified it is time for us to move forward with mandatory disconnects and enforce the covenant items described above because it will limit the potential liability down the road. That's the biggest thing to take away today.

Mr. Cisneros said FPUA's recommendations are that we resume the electric disconnect on Tuesday, December 1st and we will be on a three day, schedule, Tuesday, Wednesday, and Thursday. That is to begin to get in compliance with our bond covenants and if you will recall there is about $1.5 million in special payments and they are past due amounts we are trying to work with our customers over the next 12 months to collect. We also have a resolution for mandatory disconnect for nonpayment after 60 days and we relaxed that because of COVID-19. There are a couple of items he would like to highlight and we have talked about this in a couple of Board meetings. There are a small portion of our customers approaching 10 months without making a payment so that means if we extend this anymore and they don't pay, for the next 12 months they will be making two payments. Paying two years' worth in one year timeframe. It is going to be very difficult for customers if we don't resume our normal practice of disconnects. Mr. Cisneros said he believes every time we have extended the disconnects payments have gone down significantly. He said the number of disconnects that we have will drop off significantly if we reinstate the disconnect policy. He would be happy to take questions you may have.

Mr. Tompeck said just to add to what Javy has talked about, we would do about 200 disconnects a week which is what we can get in about three days. He said this wouldn't be everybody all of a sudden getting disconnected all at once.

Mr. Cisneros said FPUA would work with those 200 customers every week with the hardship affidavit to see if they qualify and see if we can get a good faith payment. He said that is the larger number and we really think that number will be much lower.

Mr. Tompeck said just because we start disconnects, we will continue to implement the programs that we developed.

Mr. Matthews said when he first got involved with this, his recollection is he wanted to give the customer the chance and opportunity not have a hardship. He said there are still two remaining

puzzles. The first one is we have extra money still left in both of those agencies Mustard Seed and ALPI and we are going to cutoff lights. The other one is that even though we are looking at this resolution, he could imagine if it was done any time in the last ten years they have no idea this situation was going to come nationally like it is. Not only coming nationally, it seems to be a reoccurrence of the problem again. He made his comments some time ago talking about where we are with the current virus and expecting what to do with hurricanes coming. Now hurricanes are not here, but another reoccurrence of the virus. These are hardship. Mr. Matthews said he has no problem moving toward the resolution, he has no problem with that. He said the problem is what will we do with the extra money?

Mr. Cisneros said that's a good question. He said the idea, as the direction of feedback we have gotten from the Board, is that funding you see there's under $35,000 remaining in the FPUA portion, we would use that funding to specifically target anybody who is on the disconnect list and that is a rolling number every week. We could approve those vouchers, but if they are not on the cut list then we really are not helping those customers who are on the cut list. Every week the idea here is to take the $35,000 and identify the customers who can't pay and help them as best we can to avoid disconnects.

Mr. Matthews asked how many customers are in the danger.

Ms. Cavalcanti said how many customers that are about to get disconnected.

Mr. Cisneros said he believes the number is around 900 and said we wouldn't do 900 a week. He said it would be spread over time and we would be working with those customers to get a payment.

Mr. Matthews said the holiday is coming up and we have both holidays, Thanksgiving and Christmas. He said the Health Department is all over nationally telling don't get close or involved with the holiday. There's people that like to see their loved ones and a plate on the table. He is concerned about the ones that are in school. If we cut off the lights then what will happen with those on the internet, it's a concern.

Mr. Cisneros said the remaining funding we have for COVID-19 sponsorship, we would work with those customers to distribute that money to them and get them to apply for the funding and get it applied to their account. Just as a refresher, we wouldn't disconnect the week of Thanksgiving, the first round of disconnects would start December 1st which is after Thanksgiving. We wouldn't disconnect the week of Christmas.

Mr. Matthews said he was smart enough to go back and read some minutes and on page 15 concerns him. He said that was talking about some of the same kind of questions he had at the last meeting. He thinks the Board was looking at you bringing a report on this particular day,

November 17th to see where we are. He guesses Mr. Cisneros recommendations are of the three concerns, right.

Mr. Cisneros said yes.

Mr. Matthews said the other part of the minutes he looked at is we talked about the date. He does not know how we got back from December 31st to December 1st. He said somewhere along the line, we lost 30 days.

Mr. Cisneros said he believes the Board had some discussion for December 31st, but then got pushed back to reevaluate on November 17th. He does not think we ended up with December 31st as a final date.

Mr. Tompeck said that is correct, we decided we would make a decision today.

Mrs. Gibbons said she wants to make sure she understands that you are talking to customers the Friday before with the door hanger. She said they will also be getting phone calls and during those phone calls, the conversation is going to be guided with we still have money available, is there some way we can use this to help you. Mrs. Gibbons asked if that is something we will be able to help them with right then and there over the phone and be able to apply it that way the ones that truly need it get the use of those funds.

Mr. Cisneros said yes, ma'am, we still will call customers to request payment and if they are not able to make payment, we will work to get a good faith payment. He said if we are not able to get good faith payment, we will tell them about the hardship affidavit and work with them to avoid disconnect. Hopefully that answered your question.

Mrs. Gibbons yes, it did, and just wanted to make sure the conversation would be guided and it would be personalized obviously. She said she thinks you gave a statistic last time from Lake Worth Beach and when they started implementing cut offs, they didn't see so many cut offs, right? What was the number on that?

Mr. Tompeck said he does not remember the exact number, he thinks they said 80% of people on the cut list paid before they were disconnected. He said even after they disconnected they only had 15 people who didn't pay or catch up after they were disconnected. The ones that were disconnected paid up quickly and they were put back in service. He has a feeling we're in a similar position here in terms of a number of people that will be able to pay or at least meet some minimum requirements here so they won't get disconnected. Unfortunately he thinks it's time we found out.

Mr. Matthews asked what city are we talking about?

Mr. Tompeck said Lake Worth Beach is the one he was talking about.

Mr. Cisneros said he thinks 80% correlates closely to the number of customers that kept up with their automatic payment plan. We are in the 85% for September and if we enforce those policies for disconnects, we will see those numbers are higher of people making payments to square up their accounts.

Mr. Fee asked how long do you think we will continue with the three days a week cut offs?

Mr. Cisneros said he does not know, but thinks we would work through the end of the year at a minimum.

Mr. Fee said he does not think we should go the whole year through three days a week.

Mr. Cisneros said no.

Mr. Fee said we know the end of this year, but come beginning of next year of 2021 we need to get back to normal activity.

Mr. Cisneros said he thinks Mr. Fee is absolutely right and December 31st we would reevaluate it at the last meeting in December and make a decision from there for the Board to reinforce our normal procedure to five days a week.

Mr. Tompeck said Mr. Fee mentioned that three days was a good idea so we have Friday to catch up on reconnects and staff agrees with you.

Mr. Matthews said basically Friday is free and Saturday and Sunday and right back Monday since your first day would be Tuesday.

Mr. Cisneros said Tuesday, Wednesday, and Thursday.

Mr. Matthews said to his colleague Mr. Fee when you look at the hidden mathematics here you are talking about 200 customers and 900 in danger so it will not be that long before we have done reached the list of people.

Mr. Fee said hopefully that will be the case and a lot of them will start paying when the word gets out. He said the number dwindles a lot further, but that remains to be seen.

Mr. Matthews said he is prepared to make the motion as long as he gets a clearance. He asked if we will take the money that we got left and apply it with the most serious customers that we will do it.

Mr. Cisneros said yes the idea here is use the funding to help the customers that make the disconnect list.

Ms. Cavalcanti said they have to fill out the application because that's a violation of our Bond Covenant to just say free service because we like you a lot.

Mr. Cisneros said that is absolutely right.

Ms. Cavalcanti said they have to fill out the application for it.

Mr. Matthews asked if we have any of them on file.

Mr. Cisneros said we've gotten 61 hardship affidavits that have been approved for just over $15,000.

Mr. Tompeck said to Javy to correct him if he is wrong, you said we had other ones that we reviewed, but haven't applied because they are not on the cut list yet. We are saving that for when they either make their payment or their on the cut list to use them. We are going to continue these programs, they are not stopping because we are disconnecting customers.

Mr. Matthews said with all due respect there's a right to make certain the staff does right and he makes a motion to approve the recommendation in all three categories.

A motion was made by Mr. Matthews, seconded by Mr. Fee, and unanimously carried to approve the recommendation to resume electric service disconnects on November 30, 2020.

Mr. Tompeck said the next item is a presentation on the Smart City Downtown Initiative and this presentation was given to the FPRA Board in late October and received some good support from them. Jason Mittler will make the presentation.

Jason Mittler, FPUAnet Communications Manager, presented the Downtown Smart City Initiative. He said in 2018 the FPUA Board agreed to take steps toward becoming a Smart City. The downtown initiative will be the first pilot project to showcase what Smart City looks like. Smart city uses technology to add significant value to the community by improving the quality of life, cutting cost, and spurring economic development. This is done by providing improved infrastructure, helping operate utilities more efficiently, improving transportation, helping to reduce our environmental footprint, and offering services to make our community safer. It allows us to engage the community by gathering data to make more effective decisions. This will increase the digital equity locally. FPUA has 110 miles of fiber lines, poles, street lights, and ducts that will be catalyst to bringing about the Smart City. This slide shows how FPUA and FPUAnet will serve as the hub that connects all of the spokes. The downtown initiative plan has installed

four kiosks and four poles in the smart downtown area. This slide talks about the kiosk and shows you an example of what it looks like. These kiosks monitors themselves are about 55 inches, double screen on both sides, touchscreen LEDs, and consist of four cameras with Wi-Fi and the glass is 9 millimeters thick. That is important because it has been tested with a baseball bat and being in the downtown area, you do have hurricane winds. The placement of these will be engineered to withstand those things and these kiosks have been deployed in cities such as Miami, Atlanta, and New York and soon to be Ft. Pierce.

Mr. Mittler said the kiosk locations are at the Manatee Center, Marina Square, St. Lucie County Courthouse, and the City Hall area. He said each kiosk typically cost between $80,000 and $100,000 and the capabilities consist of about six different areas. The kiosk is broken into two major sections, the top section is to generate revenue by scrolling ads, the middle allows the customer or the individual to interact and so this provides information such as weather forecast, announcements, and calendar events of what is going on in the community and how they can engage. It can also provide entertainment such as selfies where people can interact with one another, you can stream events. Just imagine on New Year's Eve if COVID didn't exist, we had a big New Year's Eve bash downtown, and were streaming live from New York, they could see the ball drop and we could be projecting back to them from little ole Ft. Pierce that has the same kiosk they do, that is an amazing vision. Obviously there's Wi-Fi available for that area and different games people could interact with. The kiosk could help in the area of security with having a help button so if a small child got lost and they clicked on kiosk they could find help or if someone is injured they could click and connect to 911 if needed. Mr. Mittler said this kiosk can also do Wayfinding, which is as simple as goggle maps or as complicated as 3-D modeling of an individual building. He said how this will impact the businesses locally and downtown, it means that if he was a person out of town, and wanted to find a place to eat, he could scroll through, find out where he was, and find a local restaurant, click and see if there's tables available, reserve the table, and maybe order an appetizer so when he got there it is ready for him. That will be a big impact in how it can affect the local economy here.

Mr. Mittler said the second type of technology that we will be using is the smart poles. He said these smart poles are a modular system where you can add different components as you go. Right now we're really looking at putting real base units in that has lighting control you can dim the light at different times to help energy cost. It has a wireless mesh system in it where it allows up to twelve to sixteen individual lights to be connected to one another. There is an RGBA notification that allows us to put different lights or LEDs going on to alert people as well as placement speaker that's under it that we could start putting public announcements or play music during the holidays. There's also a Wi-Fi system. We are planning on placing four poles in the Marina Square area so that would be four poles and kiosk along the square. The hope is to be able to layout a Wi-Fi footprint large enough so large crowds that gather during Friday Fest and Farmer's Market, people could enjoy free Wi-Fi. Typical cost for a pole is between $15,000 and $20,000. We would use the existing infrastructure downtown to help lower cost. Downtown has a tremendous amount of decorative lights currently and we have a lot of fiber and duct

systems. Mr. Mittler said he will be visiting Jacksonville Electric on Thursday to evaluate and take a look at how they use the city street light ducts to bring fiber through to connect to these type of smart lights. We are hoping that will reduce the cost of installation and eliminate or at least mitigate bringing up brick pavers and causing impact on the businesses. As mentioned, the kiosk are $80,000 to $100,000 apiece and four of them would be close to $400,000 and that's pretty capital intensive. We have been working with our partners Fujitsu and Argent to be able to come up with an ad revenue sharing model where FPUA would be responsible for the capital cost and all we need to do is provide the connectivity by fiber and power which is estimated to be about $70,000. We would work with the City of Ft. Pierce to provide permitting and have to pay for the installation of the kiosk themselves which is estimated to be about $80,000. The partners would provide these kiosks at no cost to us, they would own them, provide a basic help button, Wayfinding map and integration to their app software. They would be providing the ad content, network monitoring, all the software updates, and the kiosk maintenance they would replace if it got damaged. Mr. Mittler said he loves that idea because he is not in the kiosk business, he is in the broadband business. He can allow them to specialize in that area similar to what the City has done with the scooters. Our partners will be responsible for finding all of these ads to generate this revenue and it would come loaded with quite a bit of national ads. We would have the ability to market to local businesses because that's our overall goal to spur on our local economy. FPUA would be allotted a percentage of free marketing space, about 12 minutes per hour on the kiosk where we could advertise events or talk about the Manatee Center, or do various things with it. The projected ad revenue is based on the 2010 census data and year one could be between $100,000 and $200,000. Because of the intensive capital cost, FPUA would only share about 20% of those revenues which ends up being $20,000 to $40,000. In year 2 and 3 that share would increase by 10% to 30% and could result into $30,000 to $60,000. Within three years, the cost to install the kiosks would be recouped from the revenues.

Mr. Mittler said in summary he wants to point out on the right side of the slide, this is a high-level map of where the kiosks and the smart poles would be located. He said we are still working with the City on exact locations, but this gives you a high level idea where they would be placed. Some of the key benefits is the additional revenue that would come, the ability to engage the public, provide public safety, provide a public Wi-Fi where we can show case our FPUA network, and this would be the beginning of the City and Utility partnership. The project cost is estimated to be about $250,000. Our next step is to go visit Miami where these kiosks are located and Tampa at college where the smart poles are located. We're currently working with our partners to come up with a draft of the contract. Mr. Mittler said he wants to thank Mr. Gang as he's currently working with the City and FPRA on the MOU Agreement for the surplus credit of the $250,000 agreement. This is and information only item and he would be happy to answer any questions.

Mr. Tompeck said the item will come back to the Board for approval of the Interlocal Agreement.

Mr. Matthews said his first question is on marketing. He said if our organization wants to get a festival or something going on, could we market through this.

Mr. Mittler said absolutely. He said if you own a local business and you want to get on there and market it, is that what you are saying.

Mr. Matthews said he is talking about a non-profit group.

Mr. Mittler said 100%. He said FPUA or the City would be allotted about 12 minutes an hour. If you have a special event, those things can change, so let's say we have the Manatee 5k of last weekend, we could put that on the kiosk. These kiosks would be located in four different locations in the City. That ad would show up and we could probably have an app you click on it and now all of a sudden they sign up for the 5-k immediately. You could do that with any other type of thing. We would love to work with other non-profits.

Mr. Matthews said you have determined so far we have four around the City.

Mr. Mittler said that is correct.

Mr. Matthews said supposing all is going well and all of a sudden we come up with some bad luck situation where we do not get people to participate, how long will that contract or when would you cut that contract.

Mr. Mittler said the sunk cost for FPUA is actually the fiber infrastructure. He said FPUA is paying $80,000 for the actual kiosks to be installed, but the partners would own those kiosks and they are putting $400,000 out to put these kiosks in. If they do not get ads, then they do not generate revenues. They have done this in other areas and have looked at the 2010 census data and that is where those revenue projections come from. The poles themselves are a completely different item where it is not involved with the partners. We need to figure out where those ownerships sit, probably somewhere between the City area.

Mr. Matthews said then legally we will be clear of all the liabilities associated with the camps.

Mr. Mittler said when you say liabilities, what type of liabilities do you mean.

Mr. Matthews said number one would be the finance liabilities.

Mr. Mittler said there is no financing liabilities, what we are doing is taking the tax credits from the plant and applying it to put infrastructure in. He said on that contract, FPUA does not have any side that we have to hold up to say we need to put this many ads or we need to generate this much revenue, that is all on them. Mr. Mittler said we have not received the draft contract, this is kind of the concept information only. He said when we come back to the Board, we will

have a contract and the MOU ready to be presented and you will get a chance to review it at that time.

Mr. Tompeck said the next item is a post budgeted request for the Avalon Crossing PUD and Eric Meyer will make the presentation.

Eric Meyer, Acting Supervising Engineer for the Electric and Gas Engineering Department, said Avalon Crossing is a new planned urban development in the City of Fort Pierce just south of Okeechobee Road between Jenkins Road and McNeil Road. He said the development consists of 303 new residential homes along with a clubhouse and lift station. To construct the new electric infrastructure within the Avalon Crossing site, FPUA will need to install 44 pad-mounted transformers, 15,500 feet of underground primary lines, and several primary hand holes. In addition, the developer has asked FPUA to provide outdoor lighting for the site, which includes the placement of 49 poles, hand holes, and LED streetlight fixtures. The estimated budget for this project is $518,247 with approximately 90% of the project being rate funded and 10% from customer contribution. FPUA will own and maintain facilities valued at $260,353 that the developer will install as part of this project. Mr. Meyer said the project will be broken down into three phases and the conduit work will be constructed within the initial phase. He said due to the scale of this project, funding will likely extend beyond FY 2021. Staff is requesting Board approval for the initiation of this project and the proposed funding for this development in the amount of $518,300 with rates accounting for 90% of the project funding and customer contributions for 10%.

A motion was made by Mr. Fee, seconded by Mr. Matthews, and unanimously carried to approve Post Budgeted Project/Budget Request for the Avalon Crossing residential PUD site development in the amount of $518,300.

Mr. Tompeck said the next item is requesting approval of a budget transfer for replacing the water main on North 12th Street and James Carnes will make the presentation.

James Carnes, Supervising Engineer for Water/Wastewater Engineering said FPUA Water/Wastewater Engineering has budgeted $750,000 to replace water mains that have reached its useful life. He said this project is North 12th Street from Orange Avenue to Moore's Creek and there is previously funding in Project No. 617, which is Water Main Misc. Rehab and Rehabilitation. We are presently requesting $204,000 which is required to fund the design, permitting, inspection, and construction of the project. Funds will become available on the purchase order with Enterprise whose contract will be presented to the FPUA Board for approval on December 1. Therefore Staff requests approval for a budget transfer in the amount of $204,000 to fund the costs of replacing the water main along North 12th Street from Orange Avenue to Moore's Creek.

Mr. Matthews said in the old part of Fort Pierce, will you have to go back and consider taking the pipes in like 12th and Avenue D, and 12th and Avenue H.

Mr. Carnes said FPUA's water main program is based on many factors, based on the age of the pipe, the water quality complaints or pressure complaints we have, and any water main breaks we have on certain sections of the pipe. We quantify that information and put the most critical pipe up at first and then go to the descending order from there. The mains that require the most amount of attention get replaced first.

A motion was made by Mr. Matthews, seconded by Mr. Fee, and unanimously carried to approve budget transfer request in the amount of $204,000 to fund the costs of replacing the water main along North 12th Street from Orange Avenue to Moore's Creek.

Mr. Tompeck said the next item is the bill comparison for September 2020 and Michele Harris will make this information presentation.

Michele Harris, Finance Assistant Controller, presented the bill comparisons for the month of September 2020. She said she will be presenting the monthly update on the comparisons of Florida Municipal Electric Rates published by FMEA (Florida Municipal Electric Rates), and of the local Treasure Coast utility bills for September. This first graph shows the comparison of residential electric rates for 1,000 kWh of consumption for the month of September for the 13 municipal utilities, which are members of the "All-Requirements Project" (ARP). They are displayed and ranked based upon their base bill amount. In this graph we can see where FPUA ranks among the 13 participants. Our September rates at $103.84, shown with the yellow bar, ranks FPUA with the 2nd lowest rate of this group. Mrs. Harris said the next graph displays the September comparison for that same level of consumption at 1,000 kWh, but includes all of the municipal utilities in the state. She said FPUA's September bill for this level of consumption, at $103.84 ranks FPUA with the 9th lowest rate in comparison to the other 31 municipal utilities. The blue bar represents the November approved adjustment to the PCA. In September, while FPUA maintained our rates, 13 of the other 31 municipal utilities implemented rate changes. The overall impact of these rate adjustments resulted in a small increase of $0.25 for the ARP average and a decrease of $0.73 for the municipal average. The graph displayed presents a similar comparison for the consumption of 2,500 kWh of consumption. She said FPUA's September bill, at $262.30, FPUA moved down one spot to the 11th lowest rate among this group. FPUA's Rates for both 1,000 kWh and 2,500 kWh fall below all three averages (ARP, Municipal and IOU).

Mrs. Harris said the table displayed is the September comparison of the average residential utility bills on the Treasure Coast. She said FPUA's utility bill for all three services provided, inside the city limits, is shown in the first column in blue. All other bills in this table have electric services provided by FP&L and water and wastewater services provided by the locality's provider. The

comparison includes the bills for the average consumption of electric, water, and wastewater services for residential customers. These totals include all of the taxes and fees and have been verified by staff to actual or historical bills.

Mrs. Harris said Mrs. Gibbons questioned last month about Vero Beach's water bill and we have reviewed the numbers and those water rates published in this chart are correct. Those are for inside city customers. There has been no changes to any of the bills since the August comparison was presented. This item has been presented for information only and Mrs. Harris said if you have any questions, she would be happy to address them.

Ms. Cavalcanti said she has one comment, she talked to Mr. Tompeck on the Fort Pierce bills, we have a very significant number of taxes we collect for the City of Fort Pierce. She said as she recalls it is somewhere between $2.5 million and $2.9 million.

Mr. Tompeck said that is approximately collected, it is what we turn over in utility taxes to the City.

Ms. Cavalcanti said it is on everybody's bill and is reflected on this amount for Fort Pierce. She actually has a house in Martin County that is rented and that house has water, but not wastewater and there are no additional taxes on it. She thinks we need to remember that Vero Beach's may be lower because of them paying part of it out of the general fund. Also, FPUA is contributing by collecting for the City of Fort Pierce additional taxes. She has always questioned Martin County, Vero Beach versus Fort Pierce and she is the one who actually wanted Martin County on this graph. We have to remember those additional taxes go to help operate our City.

Mr. Fee said good point.

Mr. Tompeck said the last item is the status report on the Electric Power Cost Adjustment for September 2020 and Barbara Mika will make the presentation. He said he feels bad that Barbara always seems to be last, maybe we should push you up first one of these days.

Barbara Mika, Director of Financial Services, presented the status report on Electric Power Cost Adjustment (PCA) for September 2020. She said she will provide the Board information about the status of the September power cost adjustment and the updated projections through September of 2021. 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 appears as a credit on the customer's bill. The cost of power purchased from FMPA for the month of September was billed to FPUA at the rate of $63.70 for 1,000kWh, this was a decrease of $3.79 as compared to the billing for August. In September, FPUA experienced an over-recovery of power costs from the customer of $244,539. The cumulative over-recovery as of September 30, was $2.8 million.

Mrs. Mika said the chart displayed tracks cumulative monthly balance of the PCA over-recovery in relation to the approved power cost adjustment levels back to September of 2018 and projecting forward for twelve months to September 2021. The PCA is represented by the darker blue line across the bottom and has been at a negative $13 per kWh from May through September. The approved increases in October and November brings the PCA level to -$8 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 the August forecast, FMPA's estimate of the cost of purchased power for the upcoming 12 months has decreased by 3.7%.

Mrs. Mika said FMPA has implemented changes to their billing to ARP participants effective in October, which has impacted their projected power costs and rates. She said this has affected the forecast that is being used in this presentation. When the PCA was last presented the new methodology was used in the FMPA forecast. Based upon that forecast, a $3 increase in the PCA was approved. At our last Board meeting Mr. Tompeck mentioned that an error was discovered in the projections made by FMPA. It has since been corrected and today's presentation has been developed with the revised projections. These new projections give a more favorable look forward at the next twelve months. This graph takes a look at those updated projections of the PCA recovery through September 2021 given each of these three different scenarios: Based upon current projections, the gray line represents the trend with the PCA currently at -$13, moving to -$8 on November 1st and remaining at that level. The projected escalation in power costs will bring the PCA close to the $1 M rate stabilization fund level by June 2021. The green line shows the progression of the PCA with a $3 decrease in the PCA. This option would provide declining monthly cost recoveries into March, where again we would fall below the minimum level for our rate stabilization. For comparison she has added the red line, which was based upon the August projections from FMPA for no change to the PCA at that time. The projections made in August were on average for October through January 11.7% higher than the revised projections made in September. The November PCA increase that was approved was not totally unfounded because the projected rates were increasing just not by as much as they had originally projected. The rates were going up, but not as severely as their projection first came to be. This item provides you with the most updated information and analyses. Based upon these assessments it is the recommendation of staff that the PCA remain unchanged at this time. We will continue to evaluate the monthly updated projections from FMPA and report to the Board. If you have any questions, Mrs. Mika said she would be happy to address them.

Ms. Cavalcanti said she just wants to reiterate she thinks it is very good to share the pain with our northern residents and to keep our PCA higher or costing more per kWh or however you want to call it. During our winter months so that in the summer months we as residents get to have lower cost per kWh so we can take advantage of our air conditioners.

Mr. Tompeck said the FMPA revised rate structure also recognizes that.

Ms. Cavalcanti said thank you Jacob Williams, etc.

Mr. Tompeck said he has three quick comments. He wants to recognize the new City Commissioner, Curtis Johnson. He spent the day with FPUA last Tuesday and we took him through the mill and tortured him a little bit and had a chance to discuss issues that are important to him. Community engagement is one of those issues and we have had some preliminary discussion about developing a citizen's group so the community can be heard. When we get a little further down the road on that, we will bring it back to the Board for discussion. We are also meeting with Mr. Johnson this Friday on WEOP to work on plans to get more customers to apply for the service. We have about $150,000 in that account this year and we need to get more people applying for assistance.

Mr. Tompeck said on FPUA.com, the website has been warmly received, traffic has been up over 700% and 80% of those visitors are new to the site. He said the bounce rate that he did not know what that was until a couple of days ago, the bounce rate are visitors who leave the site immediately have decreased over 70%. This means they are starting to see stuff, find it, and stay on the page. The time spent on the site by visitors has increase over 150% indicating visitors are engaged in finding what they need. He said we are very pleased with those numbers so far.

Mr. Tompeck said the last item is the Board Meetings for January 19th and February 16th will start at 3 p.m. to accommodate the City Commission meetings that are rolling over from the Monday holidays of Martin Luther King Day and President's day. The Board will get notification of that.

Mr. Matthews said he has a concern, thinks it needs to be worked, and hopes he has the eardrum of the Director and Attorney Koblegard. He said when we looks at what we do here each year with the rotation of officers, his concern is one that is hitting us right now. He knows we talk about during this period of time you have to have a full Board, but when he looks at what we do here as a Board, we operate on a quorum. That quorum is three people to five so there is three here and two absent, or like we have now with four persons and one out. Mr. Matthews said he thinks this needs to be looked at because what it is doing is giving some Board Members a chance to hold the gavel and knows none of us actually are anxious to get the gavel. He said it gives some Board Members a chance to hold it 12 months and others hold it 9 months. With the way things going now with busy schedules or sickness or unknown, we will probably always have a Board Member absent. If this is due in September of each year, he thinks as long as we have a quorum, the gavel should be passed and all the officers should have 12 months. It seriously needs to be looked into and not because he is next in line, he is talking about overall.

Ms. Cavalcanti said you can have it.

Mr. Matthews said he is not anxious to grab the gavel like he just said. He said if the situation needs to be revised, or come to a Charter amendment, or tweaked, but it does not look good each month there is a movement of different excuses and they are good valid excuses. If you are sick, you are sick and if you have a busy schedule and have to go out of town, but somewhere along the line, this should go in like we approve $200,000 or $300,000 with three or four people that is no different. This is a procedural type of operation, it is not where we stand out there and hold up our hand to be sworn in again, it is just a matter of fact each year in a certain month that we do rotation. He is not even disappointed or nothing, but is saying somewhere along the line, we need to make whatever recommendation we can make for approval for this to be changed.

Ms. Cavalcanti said it sounds good to her.

Mr. Tompeck said the problem is, it is spelled out clearly in the Charter.

Attorney Koblegard said it is in the Charter that way and we cannot change the Charter without a referendum so we are stuck with it basically.

Ms. Cavalcanti said don't worry, if someone is not here next time she will just will be absent and Mr. Matthews can take her place.

There being no further business, the meeting was adjourned.

ATTEST:

M Cavalcanti
SECRETARY

Charlie Brandt Matthews
CHAIRMAN