MINUTES OF A REGULAR MEETING OF THE FORT PIERCE UTILITIES AUTHORITY, TUESDAY, MARCH 16, 2021, 4:00 P.M., CITY COMMISSION CHAMBERS.

Members Present: Chairman Charlie Frank Matthews; Secretary Glynda Cavalcanti; Deputy Secretary; Kristina Gibbons; and Mayor Linda Hudson

Member Not Present: Vice Chairman Frank H. Fee

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 Charlie Frank Matthews.

Opening Prayer was by Jason Mittler, FPUA.

The Pledge of Allegiance was recited.

The roll was called and a quorum declared.

Mr. Matthews said Mr. Tompeck can you give us an update on the agenda.

Mr. Tompeck said a couple of quick items that we changed. We've added two items to the Consent Agenda Item 7 and 8. Item 7 was previously on New Business and because of the threshold below $200,000 we moved it to Consent. Number 8 was a purchase order with Elster and should have been on the Consent Agenda originally and was under the Contracts section so we just moved it there.

Mr. Matthews said at this time the Chair recognizes motion to set the agenda.

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

A motion was made by Mrs. Gibbons, seconded by Ms. Cavalcanti, and unanimously carried to approve the Minutes of the Regular Meeting of March 2, 2021.

Mr. Matthews said now we establish the Public Hearing and if anyone would like to speak you have three minutes to come up. Chair does not recognize any speakers. We move to the agenda. We recognize the motion for the Consent Agenda.

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

1. Excuse Frank H. Fee, IV, FPUA Vice Chairman from the Board meeting today because he is out of town.
2. POA 17-41A: Approve Amendment No. 2 to the HVAC Parts, Repairs & Replacements Contract with Thermal Concepts, Inc., of Davie, Florida, to add Boiler Maintenance and Inspection to the scope of work. The current term of the contract is July 6, 2020 through July 5, 2021, with 1 one year renewal, contingent on receiving the required Certificates of Insurance.
3. POA 5747: Approve Amendment No. 1 to the Consulting Services Agreement for AMI Negotiations and Pilot Support Contract with Black & Veatch Management Consulting, LLC, of Overland Park, Kansas, to modify the scope of work. The original contract pricing and term remain unchanged.
4. POA No. 20-10: Approve Specific Authorization No. SL-56-21-01, with SEL Engineering Services, Inc., of Pullman, WA, for Design-Build services for the NERC PRC-002 Upgrade for Hartman Substation, in an amount not to exceed $122,445. This Specific Authorization will commence upon written Notice to Proceed and end upon final completion and written acceptance by FPUA.
5. Approve Post Budgeted Project/Budget Request for converting the section of overhead power line to underground in the city alleyway north of Boston Ave. between S 8th St & S 10th St as part of FPUA's Storm Hardening & Grid Modernization plan.
6. POA 20-01: Approve: 1) Post Budgeted Project/Budget Request in the amount of $182,600; 2) participating in the Master Intergovernmental Cooperative Purchasing Agreement with National Intergovernmental Purchasing Alliance Company dba OMNIA Partners, Public Sector and/or Communities Program Management, LLC dba U.S. Communities, and 3) Contract with Graybar Electric Company, Inc. of Clayton, Missouri, for the Galaxy VS UPS for the Administration Building, in an amount not to exceed $166,000. The Contract shall begin upon written notice to proceed and end upon final completion of the work and acceptance by FPUA.
7. POA 19-31: Approve Amendment No. 1 to the Hydrogen Sulfide Odor Control Services Contract with Evoqua Water Technologies LLC, of Pittsburg, Pennsylvania, to increase the not to exceed contract amount by $15,000, from $180,000 to $195,000 annually.
8. POA 14-54: Approve the single source purchase of Elster American Natural Gas Meters in an amount not to exceed $125,000 annually from Devtech Sales, Inc. of Avon Park, Florida.

Mr. Matthews said Madam Secretary do we have any Letters of Recognition or Appreciation?

Ms. Sabota said yes we do.

The first is an email received by a customer, Paul D. Vollrath regarding Gas Operations personnel Billy Dupre, Jim Schmidt, Mason Urso, Fred Mann and Chris Johnson for their dedication, professionalism and being service driven for the handling of a potential issue that turned positive.

An email was received by Robin Campbell, Manna Ministries Director of Ft. Pierce First Church of the Nazarene, thanking FPUA for helping them collect food for their food pantry.

An email was received by Sanjeev Kumar, Pharmacist at Fort Pierce Discount Pharmacy regarding Barbara Gibson's customer service and appreciation for her handling his account accurately and efficiently.

Mr. Matthews said those are the kind of letters we appreciate and we thank the staff. We see no old business at this time, Mr. Tompeck would you lead us into new business.

Mr. Tompeck said the first item is a MOEC Update by Rachel Tennant.

Ms. Tennant said thank you Mr. Tompeck, Chairman Matthews, Mayor Hudson and Members of the Board, thank you very much for having me today to talk a little bit about the Manatee Center. I have a bit of an update for you and welcome questions at anytime.

Fiscal year 2021, as of tomorrow, we have been closed for almost 1 year. We opened for three weeks in June of 2020, but found our volunteers and the crowd that we bring posed too much of a vulnerability to COVID. For the most part we have stayed closed, but we have also stayed active. We have been scheduling roving naturalists and volunteers at an oyster table outside of the Manatee Center almost every day. The idea is that these volunteers can stay socially distanced and outdoors while also serving visitors who do still come to the center from time to time. The roving naturalists and oyster table volunteers estimate that they've engaged about 200 visitors per week which is fantastic. Especially given that we otherwise would not have been open.

We also had volunteers come to the Manatee Center and decorate for the holidays so we could participate in the City of Lights decorating contest. We were voted the winners, which was very exciting for all of us.

We've also stayed active with grants. The Florida Department of State Division of Cultural Affairs is still our biggest grantor. We were awarded just over $22,000 for the project year between July 2020 and June of this year. We're approved for up to $70,000 for next year, but this is really dependent upon what the state budget is and we do not yet know. We'll find out soon-ish. The next application is available April 1st and will be due June 1st and we will apply again. We also applied through the Treasure Coast Manatee Foundation for a $1,500 grant through West Marine BlueFuture. We received notice that we received the grant. This is to support outdoor education programs.

There's quite a few exhibit updates largely with the support of a Florida humanities grant that finished earlier this year or late last year. We added Treasure Coast history to the theater room in the exhibit hall. You can see on the left-hand side there's ten different sort of miniature diorama's that covered different facets of Treasure Coast history including citrus, pineapples, cattle, and how we got our name (Treasure Coast). The two maps that you see up there are also meant to be push-pin maps so when we reopen we can show our visitors and volunteers where they are coming from around the world. We do get global visitors. This was something that came up either at the last presentation or the one before. We have finalized our data analysis of the demographics of where our visitors are from. The volunteer finished it a couple of weeks ago so we don't have charts yet. All of it has been digitized so we can figure it out.

We also added an exhibit especially about the Henry King power plant history. It's in the same room and you can see it's on the back wall there. What we've talked about is the power plant itself. There's a bit of a time line. Manatees and Moores Creek. Why is MOAC located where it is and a tale of unnatural habitats which is just whether or not manatees are becoming dependent upon warm water affluent throughout the state. We have also put together a model power plant and put the FPUA logos on it with a little truck. We had a lot of fun putting these together. The idea was to open up the history of the center to our visitors in addition to the natural eco systems that we teach.

We added outdoor signage which is really important because we've been closed. We added information about the break water islands that the Ft. Pierce City Marina put in after the hurricanes. We included a photo of the damage that was there after the hurricanes and just talked about the value of these islands. You can see them from the observation tower which is where the sign is. We added some signage about our volunteer wall to let folks know why it's there and what each butterfly represents. We included some general information about the Indian River Lagoon, our rainwater barrel, and some seagrass restoration that we are show casing in the above ground pond that we have in the center there.

A couple of facility updates. We installed the retractable screens that we were fundraising for a while back. This is what it looks like from the outside and we're going to do a little bit more work to add some walkway and a little bit more on the inside. This is what it looks like from the inside. You can see out, but there's a little bit of privacy in terms of looking in. We plan to use these for education programs. For example, summer camp this year where we do half day camps like last year and we will have the space set aside specifically for our campers. We also took a few safety measures updating the observation deck.

We've been hosting guided kayak tours every Saturday at 10:30 a.m. For us this is a really good success story because our education revenue is basically the same as it was the year prior though we've been closed and haven't had field trips or camps coming to us. It's 100% because of these guided kayak tours. We're excited for when things do start to normalize because we'll keep hosting kayak tours and we'll do our camps. This is really promising.

We've done a lot of virtual programming. Lunch and learn has maintained throughout COVID every second Friday. It used to be in the center, now it's on Facebook live. The benefit of this has been we've been able to schedule speakers who otherwise we wouldn't have had because they could present from wherever they were. We've had speakers from all over Florida presenting which has been a lot of fun. We also did Halloween which is one of our biggest events every year. We get between 6 and 800 people at the center in just a two-hour period dressed in costumes. We did it online this year and the main theme was the Lincoln Park Academy theater students were still able to participant. Usually they dress up as zombies and dance with the kids at the event, but here they just dressed up as zombies and made a video. A lot of them were home schooling during COVID so they made this video of themselves realizing one of their students had turned into the zombie. Then they did the monster mash dance individually and awkwardly from their homes. It was really, really nice. They were very proud. It was completely produced by them too. I was really proud of this one.

Nature Fest.....we did a virtual nature fest with a scavenger hunt. We've tried not to go too heavy on virtual though, because I think we're all kind of tired. We're just trying to find that balance and why we stay active in person. We have also stayed community proud all along. We adopted AE Backus Avenue and initiated monthly cleanups in January. We've done one every month so far including last weekends keep Fort Pierce beautiful cleanup.

The manatee mural was finished today as well. This is what it looks like. We're super excited about the mural. The oyster mats....Mayor Hudson I'm so happy to be able to tell you this. Those are slated to be installed by Florida Tech and one or two Manatee Center staff in early April. So that's happening finally. This will help us to filter the water in Moores Creek.

That is my update for you so far. I'm happy to take any questions if you have any.

Ms. Cavalcanti said I want to thank you. It's wonderful. I think you all did a great job considering the year we've had.

Ms. Tennant said thank you.

Ms. Cavalcanti said I'm really happy about it.

Mr. Matthews said she's speaking for all of us on the Board even the one who is absent.

Mayor Hudson said so you probably know about this and a lot of people here know about this. The inlet celebrates its 100th anniversary in May. I know that people are going to be reaching out to the Manatee Center to be involved in the celebration. It will go from May 8th to May 28th. There will be lots of different activities. I think the Manatee Center is a natural for being involved in that. I know FPUA has been approached to be involved too. I'm officially inviting you to -- because you have so much enthusiasm and have done such a good job and you really ought to be involved in that. Look for that contact.

Ms. Tennant said thank you. We are planning, at minimum, to be the volunteer runners of the beer booths at the Friday Fest. That will happen. It's a fun job.

Mayor Hudson said that would be Friday in May 7th.

Ms. Tennant said so it doesn't count.

Mayor Hudson said it does count. It's starting with the Friday Fest. Absolutely does count. The next day will be a blessing of the fleet and a boat parade in the inlet and a big celebration.

Ms. Tennant said excellent. Our hope is to be open by then. That's what our hope is.

Mayor Hudson said I hope so too.

Ms. Tennant said that's what we are working on, on the back end.

Mayor Hudson said you've done a great job during a difficult time.

Ms. Tennant said thank you. Since no one is going to ask, I will say anyway, there's been a lot of stuff in the news about the manatee mortality phenomenon right now. We are paying very close attention to that as well. We are focusing most of our energy on the center and trying to stay active within our community. Our hope is that by working on Moores Creek, bringing the oysters into the creek and possibly reaching out to different partners for potential seagrass restoration type things in the future. That's our hope for helping to sort of curb what's going on with the manatees. We are focused primarily on the community stuff, but we've gotten a couple of questions.

Mayor Hudson said I forwarded an e-mail to you.

Ms. Tennant said yes, so that's our answer if that comes up.

Mr. Matthews said I had a side vision that the Mayor brought up something that brought my attention back. I think it's time, you have a whole year to plan it, to look at having some type of major celebration under the name of Henry D. King. We could get the volunteers involved, have an education contest for the youth. Just a gamut of things for a Saturday or one-day or two-day event. I don't know how long he's been expired, but it's about time that we can recognize him further.

Ms. Cavalcanti said how old is the Manatee Center now?

Ms. Tennent said 25 years.

Mr. Matthews said you can have a combination of anniversaries for that and also a recognition of Mr. King.

Ms. Cavalcanti said something else for you to do before then.

Ms. Tennent said we're ready. Okay. That happens in October.

Mr. Tompeck said we're also looking at the 50th anniversary for FPUA in 2022. Maybe we can blend all that together.

Ms. Tennent said I like 2022.

Mr. Matthews said when we take the locks off the community and citizens we'll be ready to go. Thank you on behalf of the Board.

Mr. Tompeck said the next item requests approval for an increase for the purchased gas adjustment and Craig Crawford will make the presentation.

Mr. Crawford said thank you Mr. Tompeck, Chairman, Members of the Board. I bring before you today the natural gas stabilization fund update for March 2021. The staff has rerun the sensitivity analysis which now includes January actuals and the preliminary data for February.

After gas prices at the Henry Hub have been on the rise since August of 2020, and the price of natural gas over the last few months has averaged about $2.77/Dth. On February 19th, underground storage saw the second largest natural gas withdrawal in history at 338 billion cubic feet. Now natural gas underground inventories sit at 1,943 billion cubic feet which is 13.3% lower than one year ago and 7.7% lower than the five-year average.

You can see the curve dip right there on the blue line. Our swing gas in the month of February, which the gas is not pre-purchased for the month, increased by approximately 61% during this cold weather event that happened in February. Extreme cold weather in Oklahoma and Texas led to high natural gas demand in parts of the country, disruptions in oil and gas production, and record high natural gas prices. During the cold weather event in Florida, prices reached as high as $35 on a daily market. One location in Oklahoma peaked at $1000/Dth on the daily market.

As you see on the graph, the black line indicates the cost of gas that FGU purchased for us on the daily market. The orange represents the quantity of gas they had to purchase for us on the daily market. The blue represents the gas that we had under contract it was not affected by the daily spikes during that cold spike. As you can see by the graph, some of the days during the cold weather event, the price of gas on a daily market was above the $5/Dth range and peaked as high as $23/Dth.

FPUA's actual cost increase was mitigated by avoiding any pipeline penalties. There were several alert days during this time. During this cold weather event, if you didn't have gas scheduled for the day and you used it, we could have been penalized for as much as $88/Dth is what we would have had to pay for that gas. So FGU scheduled more than we needed. If we didn't have it we would have been penalized a lot more money. It was also mitigated by the pre-paid purchases,

which is in the blue. Of our contract gas, that we have under contract for a lot less money was not affected during those spikes or peek pricing.

The February curve reflects the decrease in the PGA which was approved by the board on January 21, 2020. This was 15 months ago. Luckily we haven't had to adjust the PGA for over a year now. At that time we went from negative 15 cents a ccf, to negative 19 cents a ccf. With the colder than normal temperatures across most of the country, the price of gas has went up more than 70 cents/Dth.

As you see by the January curve we are expecting to ask for an increase in August, but the cold weather event brought me here today. The RSF is now below the operating range and projected to decrease throughout 2021.

Based on the current status of the RSF, staff recommends an increase to purchase gas adjustment of $0.09 per ccf bringing it from -$0.19 per ccf to -$0.10 per ccf, effective April 1, 2021. Also I provided you with another option which would be an increase of the PGA to $0.14 per ccf to bring it to -$0.05 ccf and then bringing it back down in and around September timeframe another $0.11 back down to -$0.16.

With Option 1, we're recommending the average residential customer using 11 ccf of gas will only see a $0.99 increase. The first column is their bill now the -$0.19. The next one, the ask for Option 1 down to -$0.10. This is Option 2, that option would give them an increase of $1.54. The fourth column is showing you no PGA at all. That would be the average customer bill.

If you have any questions, I would like to answer them at this time?

Mr. Matthews said any Board Member have any questions?

Mr. Tompeck said a couple of real interesting things associated with what happened with gas. Some of them have to do with FMPA. FMPA was able to juggle their resource mix so they ran some of the units on oil where they could, Stock Island in the Keys, Cane Island 1 in Kissimmee. The two Stanton coal units were running so they were able to use less gas and we were able to sell off some of the gas and why that's important is because their average price for gas in February was less than $2. Why that's important, obviously it will keep our rate where we expected it to be. So that was really a good thing. I think the other thing when Craig talked about how much they took out of storage that's almost an unbelievable number. In normal winter you might see in a particularly cold time it be 130 or 150 coming out of storage and 350 is, as he said, was one of the largest withdrawals ever. That really caused a lot of problems with the pipeline plus the weather.

I think we made out pretty well here. Of course, the whole idea of a rate stabilization plan is exactly what it's doing here. What we're essentially doing by raising the PGA is we're starting to rebuild from what happened here.

Mr. Matthews said any questions?

A motion was made by Mayor Hudson, seconded by Mrs. Gibbons, and unanimously carried to approve Option 1 to increase the Purchased Gas Adjustment (PGA) $0.09 per ccf from -$0.19 per ccf to -$0.10 per ccf, effective April 1, 2021.

Mr. Tompeck said the next item requests approval for the purchase of a 55 foot material handler truck and Maurice Bacon will make the presentation.

Mr. Bacon said thank you Mr. Tompeck, Members of the Board and Mr. Chairman.

I'm Maurice Bacon, Fort Pierce Utility linemen. I'm here tonight to ask for your approval to purchase a 55 foot material handler bucket truck from Altec Industries of Birmingham, Alabama in the amount of $289,895 under the GSA contract. This truck will replace our 2010 material handler bucket truck with 64,000 miles and 10,000 working hours. The vehicle replacement is part of our FY2021 budget.

Thank you. At this time I will be happy to answer any questions you may have.

Mayor Hudson said what happens to the old truck?

Mr. Bacon said they all go off to action, I believe.

Ms. Cavalcanti said we only get 64,000 miles on those trucks.

Mr. Bacon said they get a lot of man hours.

Ms. Cavalcanti said it's the 10,000 hours I guess. It's a little different than a car; right?

Mr. Matthews said do you have a count on how many bucket trucks we have?

Mr. Bacon said I want to say there's eight large bucket trucks. I need to make sure to get a count on that and we have two smaller ones.

Mrs. Gibbons said this comes with everything on it. You don't have to do any additions to it after it arrives?

Mr. Bacon said yes. It comes with pretty much everything. We think the count may be off on our buckets too. I think that was smaller amounts.

Mr. Matthews said send us a note. What's the pleasure of the board?

A motion was made by Ms. Cavalcanti, seconded by Mrs. Gibbons, and unanimously carried to approve POA 21-40: Approve the purchase of a 55 Foot Material Handler Truck with Articulating Aerial Device in the amount of $289,895 from Altec Industries, Inc., of Birmingham, Alabama, under Sourcewell-NJPA Contract No. 012418-ALT.

Mr. Tompeck said the next item is requesting approval for the purchase of PVC conduit and fittings from multiple vendors. Eric Winterstein will make the presentation.

Mr. Winterstein said good afternoon. Madam Mayor, Mr. Chairman, FPUA Board Members and Mr. Tompeck. I come to you today about bid Number ITB21-26 for PVC conduit and fittings. I'm seeking approval to award the bid to multiple vendors for the purchase of the conduit and fittings not to exceed $225,000 annually. The $225,000 annually will be busted up $175,000 annually to Electric Supply of Tampa, FL and $50,000 annually to Wesco Distribution, Inc., in Pittsburgh, Pennsylvania. The information on the bid was uploaded on the Demandstar on February 2, 2021, advertised on February 4th and 11th with the bid opening at 10:00 a.m. on February 17, 2021. The bid was sent to 96 vendors, 12 vendors requested specifications with two vendors responding and two no bids resulting in a 17% response rate. The initial period of the contract shall be for March 17, 2021 through March 16, 2022. Both contracts will have a 4 one year renewal option. FPUA was using the FMPA joint purchasing. From what I see, the lack of participation by FMPA members led FPUA to seek bids itself rather than through the FMPA co-op. The initial purchase of the conduit and fittings will be for general inventory and provide materials for the 17th Street and projects that include overhead transmission line conversions, and underground replacements. The annual purchases will also be used for general inventory at the warehouse.

Are there any questions?

Mrs. Gibbons said how did you pick these vendors? Was it just a price driven thing?

Mr. Winterstein said it's a price driven thing. From my understanding, this is tough stuff to get right now. There's jobs around here that are being held up over underground conduit. So I think that's the two sources of it.

Mrs. Gibbons said that's why I'm asking. If it's easy to get it, or if it's cheaper it doesn't necessarily mean we can always get it when we need it.

Mr. Winterstein said until it's in your hands it doesn't matter what it costs; right?

Mr. Matthews said any other questions? What's the pleasure of the Board?

A motion was made by Ms. Cavalcanti, seconded by Mayor Hudson, and unanimously carried to approve Bid No. ITB21-26: Approve the award of bid to multiple vendors for the purchase of PVC Conduit and Fittings in an amount not to exceed $225,000 annually, to 1) Electric Supply of Tampa, Inc. dba Electric Supply, of Tampa, FL, in an amount not to exceed $175,000 annually and 2) Wesco Distribution, Inc., of Pittsburgh, PA in an amount not to exceed $50,000 annually. The initial period of the contract shall be from March 17, 2021 through March 16, 2022 with four one-year renewal options.

Mr. Tompeck said the next item requests approval for amendments to the ABB contract for substation transformers and Eric Meyer will make the presentation.

Mr. Meyer said thank you Mr. Tompeck. Good afternoon Chairman Matthews, Mayor Hudson and Members of the Board. On November 5th, 2019 the board approved a contract with ABB to supply FPUA with six substation power transformers over a six-year period. These transformers will provide technical specifications to be met during the request for proposal process. One of them being transformer impedance set at 8%. Upon the first substation power transformer installation we did back in December of 2020, it was noticed that system losses were considered more prevalent than acceptable when placed into emergency mode. Staff recommends modifying the existing contract with ABB to reduce the transformer impedance allowing FPUA to maintain emergency conditions if needed while enduring smaller system losses. However, there will be an estimated $6,000-$8,000 price increase annually per contract for this technical modification as proposed by ABB. Staff concludes this price increase to be acceptable against anticipated system losses. I will be happy to take any questions you may have.

Mr. Matthews said any questions from the Board or concerns?

Mayor Hudson said what does impedance mean? Is something getting in the way?

Mr. Meyer said it's a technical thing for the efficiency of the transformer. Technically 0% impedance means maximum transfer. Due to the way that they mechanically build it, around 8%, 7% is usually typical for a unit that size based on cost benefit analysis.

Mayor Hudson said so this will take care of that?

Mr. Meyer said yes. It will make the system more efficient and the way that we have our system currently, it will reduce the system losses that we have.

from penalty charges, late fees and reactivation charges. These revenues were $423 thousand dollars less in FY 2020.

- FPUA also put up $100K of Conservation funds and $50K of WEOP funds that were not otherwise being spent due to COVID, and allowed two outside agencies to distribute these funds in the form of vouchers for customers to use to offset their outstanding balances.
- In FY 2020 we recorded $224K in Utility Bad Debt expense due to aged accounts that we may not be able to collect on. Since October 1st and the inception of the Payment Plan for customers delinquent on their bills, collections have improved. (7% Jan – March 15th)
- Finally there were the break-even costs incurred that were covered by the CARES Act funds that were distributed through the County ($248).

This slide shows the distribution to the City based upon the calculation of the revenues subject to the 6% distribution is $6,342,445. This is up 1% over the amount calculated for FY 2019 ($6,276,267) which was paid in May of 2020. Once our audited financials are accepted by the City Commission we will pay this sum to the City. Calculation can be found on Page 50. You can see the steady trend since FY 2015. Except the slight dip ($13) in 2018 due to lower gross revenues than the prior year.

This slide shows the trend on the calculation of our debt service coverage ratio. This calculation is a ratio of a rolling twelve month average of Net Available Income to our current Debt Service (principal and interest). For the twelve months ended September 30, 2020 our debt service ratio was 3.16 times compared to 2.85 times at September 30, 2019. Our bond covenants require that we have a ratio of 1.25 times, so we are well within the range for compliance.

Additionally, as per UA Resolution 2012-01, at September 30th of each year FPUA must maintain 45 days of Cash on hand, we are in compliance with this resolution. (118 days excluding non-cash operating expenses; however considering other large cash non-operating cash items [i.e. capital, city distribution and debt service] we are closer to 90 days.) The computation and a ten-year trend on Debt Service coverage can be found in the statistical section of the CAFR on page 77 (MD&A on page 19).

We're asking for the Board's approval of the Financial Report for the fiscal year ended September 30, 2020. If you have questions, it would be happy to address them?

Mr. Matthews said any Board Members? Can you gave us a break down? You say retirement was off from the previous year?

Ms. Mika said retirement expense was lower in '20 from '19. The expense was lower. We took a reduction.

Ms. Cavalcanti said is that because of the stock market increase?

Ms. Mika said it's the actuarial valuation. Comparing the two actuarial reports is the best we can do when it comes to the actuary. We did have a decrease in our employer contributions in 2020 as we do in 2021. The employer contribution has gone down. In 2019, it was 18.11% that the employer had to contribute. In 2020 it's 17.58%. In 2021, it's like 16 point something. It's gone down again for this year. The employer contribution has gone down that's part of the expense of what's in the number as well. That's a reason why it's fallen. Just our proportion share, I guess with all the breakup of the net pension liability between the city, and UA they break it up. Our percentage decreased from 2019 to 2020. Our proportionate share went down by 2.57%.

Ms. Cavalcanti said that's because the employees are getting younger?

Ms. Mika said maybe.

Ms. Cavalcanti said it's the stock market increase.

Mr. Matthews said I would see it another way. Maybe they're satisfied as we don't have heavy turnover.

Ms. Mika said some of the assumptions changed. Some assumptions are changed in our favor and some things changed against us. When it all falls out that's our -- that's the bottom line end of the year.

Mr. Matthews said another question I have. Are we eligible anywhere along the stimulus funds that they just approved? We didn't have any layoffs or anything, so....

Ms. Mika said we did not. No one suffered financially or through the pandemic. People were given time that they were allowed to if they couldn't work, but nobody went without pay.

Mayor Hudson said are you talking about $1.9 trillion that was just approved?

Mr. Matthews said yes.

Mayor Hudson said I don't think so. The City of Ft. Pierce supposedly is getting $13 million.

Mr. Tompeck said that was actually discussed at the County Commission meeting this morning and I think the County is getting about $63 million and Ft. Pierce is getting $13 million. Some of that money can be used for infrastructure projects specifically water/wastewater and broadband services. Obviously no one sorted out the mess yet. It's going to take a while. We are in contact with the County to see if we can help utilize some of the funds to the benefit of our customers.

Mayor Hudson said so Mr. Chairman, speaking of the retirement system, as usual, I would like to request that we have a report once their.....I think we get that report in May; don't we? For the retirement system.

Mr. Tompeck said usually yes.

Ms. Mika said from the actuarial report. The actuarial report has been issued.

Mr. Tompeck said we normally make a presentation to the Board as well.

Mayor Hudson said at some point. I didn't think it was out yet.

Mr. Matthews said you see us getting it by May or June?

Mr. Tompeck said I will have to go back and check I'm not sure.

Mr. Matthews said I don't remember the exact month it was. What's the pleasure of the Board for approval?

Ms. Mika said the Resolution needs to be read and then voted.

Ms. Sabota said Adopt Resolution No. UA 2021-02, a resolution amending the budget of Fort Pierce Utilities Authority of the City of Fort Pierce, Florida for the Fiscal Year beginning October 1, 2019 and ending September 30, 2020.

Ms. Mika said I think I've led you astray. You're approving the CAFR first...accepting the CAFR. If you'd like to vote on the Final Budget Amendment too.

Mr. Matthews said why don't we roll it back and let's put first, first and second, second. We have to learn to count. Go ahead and continue.

Mayor Hudson said ok now we are voting on the CAFR right?

A motion was made by Mayor Hudson, seconded by Ms. Cavalcanti, and unanimously carried to approve the FY 2020 Comprehensive Annual Financial Report (CAFR).

Ms. Mika said to avoid any further confusion, I will close this meeting with the Final Budget Amendment Resolution. The next item is the resolution amending the budget for fiscal year 2020 for the operations of Ft. Pierce Utilities Authority from the budget as amended in July of 2020 to the final actuals that were just reviewed in the previous presentation.

The final adjustment budget are:

- Final revenues of $107,660,685 were lower by $2,103,751.
- Expenses per the Financial Statements of $102,716,462 were below expectations by $6,859,447.
- The main driver that resulted in an increase over the expected change to our net Position of $4,944,223 was the lower power costs that we experienced.

This is a routine item and I would like to ask that the Board adopt Resolution No. 2021-02 the Final Budget Amendment for fiscal year 2020.

Mr. Matthews said I'm going to ask each board member if you are satisfied with the reading. Do you want to read it again?

A motion was made by Ms. Cavalcanti, seconded by Mrs. Gibbons, and unanimously carried to approve the Resolution No. UA 2021-02, a resolution amending the budget of Fort Pierce Utilities Authority of the City of Fort Pierce, Florida for the Fiscal Year 2020.

Mr. Matthews said it's been moved and properly seconded that we adopt the budget. Any questions? I have a question before you leave. This resolution would go to the city and then the city makes another approval?

Mayor Hudson said yes, once we act on it then you get the distribution.

Mr. Tompeck said we'll bring it to the City Commission first meeting in April.

Mr. Matthews said you can continue the agenda. Mr. Tompeck do you have anything?

Mr. Tompeck said just two real quick items. First one Bo Hutchinson and I met with the County Commission this morning to talk about the WRF relocation. I thought the presentation went very well, but there weren't very many questions. We're expecting more feedback when we have the joint meeting in April. You'll be getting notification of that in the not too distant future.

I sent out some information on a press release from FP&L on their future rate plans. I just sent it out before the meeting so you probably haven't had a chance to read it yet. If you are an FP&L customer the news isn't good, but if you are an FPUA customer you're happier because our rate is getting much closer to FP&L's rate. Looks like they will raise their rates by about $10 dollars in 2022 and subsequent years will be raising their rates as well. If we're able to keep our rates where they are right now, we will be there. That's something we've been shooting for a number of years.

Mayor Hudson said that calls for celebration.

Mr. Tompeck said that calls for celebration. That's exactly right. Hopefully, we can do that.

Ms. Cavalcanti said thank you. That's great news.

Mr. Matthews said Mr. Koblegard.

Mr. Koblegard said everything is fine. Nothing to report.

Mr. Matthews said any Board Members? There's nothing else.

There being no further business, the meeting was adjourned at 4:55pm.

ATTEST:

SECRETARY

CHAIRMAN