MINUTES OF A REGULAR MEETING OF THE FORT PIERCE UTILITIES AUTHORITY, TUESDAY, MAY, 18, 2021, 4:00 P.M., CITY COMMISSION CHAMBERS.

Members Present: Chairman Charlie Frank Matthews; Vice Chairman Frank H. Fee, IV; Secretary Glynda Cavalcanti; Deputy Secretary; Kristina Gibbons; and Mayor Linda Hudson

Others present: John K. Tompeck, Director of Utilities; 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

Excused: Rupert N. Koblegard, III, FPUA Attorney

The meeting was called to order by Chairman Charlie Frank Matthews.

Opening Prayer was by Alice Ladomirak of Treasure Coast Energy Center.

The Pledge of Allegiance was recited.

The roll was called and a quorum declared.

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

A motion was made by Mayor Hudson, seconded by Mr. Fee, and unanimously carried to approve the Minutes of the Regular Meeting of May 4, 2021.

Chairman Matthews said at this time the Chair will declare this moment to be for public hearing. Any member of the public that wishes to speak you have three minutes and you need to give us your name and address and continue talking.

Mr. Rick Reed said 2625 South US 1.

On March 21st, I believe it was a Sunday, there was a significant power outage. I was at the restaurant and they came and got me as I was back in my office. I climbed on the roof, turned the air conditioning off because the compressors were carrying on. I didn't really understand what was going on. Then the compressors on the cooling equipment started. I called the Fort Pierce Utility Authority and got the energy center. I think I spoke to Glen. At the time he said he didn't have any indication why we were talking. He said that there's a fire at the Savannah substation or whatever you call it. Then I saw the fire trucks go by. We had significant damage to the two compressors on the main units. I had to replace all of that. So I called the Utility Authority

and I believe that it's a standard operating procedure. I've come to believe that when there's an issue the Utility Authority doesn't do anything to help their customers.

I received an e-mail that says Javy Cisneros asked me to reach out for a possible claim due to a power outage. Possible claim? I have better things to do. In another email it said you may also want to consider submitting a claim through your insurance company. I didn't damage my property. You all did. Why would I want to endure an insurance claim? So I believe this is standard operating procedure. Then I was told to fill out a claim. Not one person from the Utility Authority ever came to see how to mitigate...what they could do. There was no concern, there's an arrogance. Just an absolute arrogance.

I've made a public records request. I want for the last two years anybody that submitted a claim or claim that there's been any issue with the Utility Authority and I'm going to contact every one of them. I don't believe that ya'll go out of your way to help them at all.

It's not my responsibility to fill out the claim or deal with the Florida League of Cities. Where I am told to fill out my own insurance claim against my own insurance carrier. I'm offering, if anybody has had the same issue that I have, I will provide them full legal services. I will advertise it. I'm going to do whatever needs to be done. Because this is no way to treat the public. My light bill runs between $5,000 to $6,000 a month. You would have no problem sending someone out to cut my power off. You wouldn't even come out and see what you've done in damages. It's an arrogance that is unwarranted and unneeded.

Mr. Chairman said okay. Thank you. The public hearing is now closed.

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

1. POA No. 20-10: Approve Specific Authorization No. LE-56-21-02, for the King Substation Transformer No.2 Replacement Design, with Leidos Engineering, LLC, of Reston, Virginia, in an amount not to exceed $94,400. The initial term of this contract will commence upon written Notice to Proceed and end upon final completion and written acceptance by FPUA, contingent on receipt of the required certificates of insurance.

2. Approve budget transfer of $6,000 for the Edwards Rd – Oleander to US 1 project due to additional necessary exploratory and construction work. The funds are available in existing project 564.

3. POA 16-60: Approve Contracts for Rate Sufficiency Analysis and General Utility Consulting Services with Raftelis Financial Consultants, Inc., of Charlotte, North Carolina, in an amount not to exceed $50,000 annually. The initial term of the Contracts will be July 1,

2021 through June 30, 2022, with four one-year renewal options, contingent on receiving the required Certificate(s) of Insurance.

Mr. Chairman said at this time Mr. Tompeck will you bring us up to par with the new business.

Mr. Tompeck said thank you, Mr. Chairman. The first item this afternoon requests your approval of the sanitary sewer contract with Southern Underground Industries for the DiGiorgio enterprise road industrial corridor. James Carnes will make the presentation.

Mr. Carnes said thank you Mr. Tompeck, Chairman and Members of the Board. Before I get into staff's recommendation, a little bit of history on the project and what we have been doing and what the collaborative parties are.

Back in 2018, the City of Ft. Pierce, along with St. Lucie County, submitted a public infrastructure grant proposal to the Department of Economic Opportunity. The grant was to provide sanitary sewer service and a municipal service to the industrial area bounded in the area of DiGiorgio Enterprise Road and would provide sewer access to approximately 37 parcels of which 22 are existing that are small, medium and large in size. This is about 178 acres of total industrial area that would be provided with wastewater. The grant was awarded and signed between the DEO and City of Ft. Pierce in June of 2019. Additionally, since the grant was awarded specifically to the City of Ft. Pierce, a memorandum of understanding was executed between FPUA and the City of Ft. Pierce to clarify the roles and responsibilities of the parties to the project and also to meet the requirements of the DEO grant agreement.

So now a little bit of an update on what's transpired since we've been awarded the grant. You will notice in the middle of the light green line that runs from left to right that was Phase One. This portion was completed by our enterprise contractor in December of 2020. It includes approximately 4,200 linear feet of force main since it goes from the intersection of DiGiorgio and Enterprise fully east and intercepts the US 1 force main on the far right side of the screen. Originally, this was going to be included in the bid, but due to some of Natalie's doing a relocation in this area it was possible they would need some service before the grant was fully executed and the project completed, so we constructed this section of the force main, which was also considered part of our contribution to the grant.

Phase Two, which is designated by the dark green lines on the left side of your screen, is the portion that's included in the public bid. It includes the remaining portion of the force main from DiGiorgio and Enterprise south to the lift station to include the lift station and that includes about 7,000 linear feet of associated gravity sewer main and associated manholes to complete the project. Therefore, the invitation to bid was uploaded to Demandstar on January 17th and was advertised on January 22nd and February 1st. With the opening at 10:15am on March 25th.

Twenty vendors requested specifications for responding. This resulted in a 20% response rate. Of the 20, 4 were local vendors, although that does not apply to this grant because the grant was not allowed to include local vendor preference. A request was made by myself on April 21st to request authorization from the Board to accept the low bid from Southern Underground Inc. from Pompano, Florida. It should be noted, that they are also one of our unit price contractors that was awarded a contract in December. You may notice in the package that there's some disparity between their bid and the other three bidders. This was obviously taken into consideration prior to bringing it to the Board for approval.

There's essentially two major line items that account for most of the disparity. One is the mobilization, demobilization, insurance and bonds which they completely control internally. They are not dependent upon other than the insurance and bonding outside people to influence that cost and the other one is the roadway restoration which they are not subbing out and are fully taking care of in house. Other than that, you will notice that they're lower on some items higher on others. They all seem to be very much in line with some of the number disparities in the unit price contract as well.

Therefore, staff has recommended award of bid and agreement for the DiGiorgio sanitary sewer unit price contract from Southern Underground Industries in the amount not to exceed $1,875,387.00. The term of this contract shall commence upon written notice to proceed and end upon completion of acceptance by FPUA.

Chairman Matthews asked any Board Member have any questions?

Mayor Hudson asked why weren't we allowed to have local preference?

Mr. Carnes said it's within the requirements of the grant to not grant special privileges just because someone is local.

Mayor Hudson said that's the state. That would be the state?

Mr. Carnes said yes ma'am.

Chairman Matthews said I have two questions. First, I have Phase One and Phase Two. How large of a territory are we covering?

Mr. Carnes said okay, I will go back to a previous slide. If you look at the bolded outline in this layout here that includes all the 178 acres or all of the 37 parcels that will have sanitary sewer available. The Phase One portion is just the way to get that wastewater to a receptive point on US 1.

Chairman Matthews said ok. My second question, I need to know the amount? I see it here. Board members any other questions?

A motion was made by Mayor Hudson, seconded by Mrs. Gibbons, and unanimously carried to approve ITB 21-10: Approve Award of Bid and Agreement for the DiGiorgio Sanitary Sewer Unit Price Contract from Southern Underground Industries, of Pompano Beach, Florida, in the not to exceed amount of $1,875,387.00. The term of this contract shall commence upon written Notice to Proceed and end upon completion and acceptance by FPUA.

Mr. Tompeck said the next item requests approval of the specific authorization with Fujitsu for Lincoln Park smart city design build services and Jason Mittler will make the presentation.

Mr. Mittler said good afternoon Mr. Tompeck, Mr. Chairman, and Members of the Board. I am going to not only present the specific authorization, but also give you a quick update on Lincoln Park. I acknowledge that it's long overdue. The project has been talked about since 2019 prior to my placement of FPUA manager. I'm excited to present to you this update and the proposal to the specific authorization.

On July 2, 2019 the FPUA Board approved the MOU for Lincoln Park smart neighborhood initiative which was a collaboration between Allegheny Francis Ministries, City of Ft. Pierce, St. Lucie County and FPUA. It will provide high-speed business and residential internet access and free public WiFi throughout Orange Avenue, Avenue D, 7th and 25th street.

On March 17, 2020 I brought to the FPUA Board and you approved the specific authorization with Fujitsu to perform a high level design and cost estimate for the originally scope of the project which was defined it the MOU. The high-level design determined that wide scale WiFi deployments was cost prohibitive. Not only was a cost estimate performed for Lincoln Park, but critical steps toward building a fiber to home and smart city deployments was completed as part of the study which included a market analysis of the area, financial business model, evaluation of GPON vendors and operational maintenance plan which resulted in about an $86,000 of cost.

On October 6, 2020 FPUA Board approved a specific authorization with Fujitsu to design, configure and install our first optical line terminal which is used to deploy passive optic network technology. You know we presented that to you guys and found out Ms. Cavalcanti had a relative who was related at Adtran. We were able to get that installed. It was installed in the beginning of April. This project has been talked about since 2017. It's the catalyst to start deploying fiber to the home and smart city services. This one device can feed up to 4,000 subscribers and speeds up to ten gigabits per second. It allows us to use a single fiber and split it up to 64 customers.

As part of the EDC, a high-level design was completed for the Lincoln Park area. Two serving zones were identified with a total of 900+ parcels. Zone 1 of 387 parcels, Zone 2 of 513 parcels. The total cost was going to be between $2.1 and $2.4 million dollars. Zone 1 resulting in about $998,000 and Zone 2 between $1.1 and $1.4. As you can see, the original MOU was only $1.2 million dollars.

The second piece that we evaluated was a WiFi evaluation. This shows a propagation study completed for the entire Lincoln Park area. The wireless design to do WiFi coverage throughout Lincoln Park would require 339 access points. That cost alone would be $1.2 million for the ubiquitous coverage. It also would include a large operation and maintenance cost and low quality of service for the residents within their homes as most likely it wouldn't penetrate the home. Typically WiFi's are not deployed in large scales into residential neighborhoods. It's deployed into areas such as parks, downtowns, marinas, and areas that people can congregate and connect.

So after several discussions with staff at Allegheny, Francis Ministries, and the City of Ft. Pierce we felt a reduced scope would be better and allow us to focus on connecting as many residents and businesses as possible with fiber to the premise and provide WiFi at several parks and key locations. This approach is most impactful within the budget for the Lincoln Park community and surrounding areas. A few major impacts are that we're going to be able to install fiber to the premise which is a 30-year infrastructure. Provide symmetrical broadband speeds up to 1 gigabit per second, offer free public WiFi in the defined areas which will position Lincoln Park to be smart neighborhood ready, help encourage redevelopment of the business corridors and increase Lincoln Park's broadband adoption rate close to the Ft. Pierce average. One of the key things we found during the market analysis is that the Lincoln Park track is actually the lowest adoption rate in St. Lucie County. We selected the right location for a project like this. To overall provide broadband rates below incumbents retail market rates for all subscribers.

The specific authorization that you are approving is to build out fiber to serve Zone 1. Instead of trying to build fiber to all portions of Lincoln Park we decided to focus our efforts on serving Zone 1. We believe this project can serve as catalyst to acquire additional funds to build up the second serving zone in other areas of Ft. Pierce. It will consist of 387 parcels with a total cost of just under $1 million. Sixty thousand dollars of engineering, which can be completed within 90 days and then the construction of distribution lines and then the service installs.

The second part is a -- this is not part of the specific authorization, just want to clarify, but it's just an update. The public WiFi that we talked about with Alleghany and the city was defined into five areas; St. Lucie Transit Facility, plaza that's on 13th street and Avenue D, Means Court Center, Moore's Creek Linear Park on 10th and Avenue C, and the Lincoln Park Community Center with an estimated cost of $200,000.

This slide show is a summarization of the various phases. Phases one and two have been completed and was funded by FPUAnet in the amount of $264,000. These were pieces and parts that are catalyst for us to deploy throughout the city. The specific authorization that I'm asking for approval for today is to complete Phase 3, 4, and 6 with a not to exceed amount of $998,000. I will be coming back soon with a revised MOU and a specific authorization for the WiFi design and installation.

The recommendation to the Board is that the staff is requesting the approval of RFQu20-27 specific authorization number FUJ-93-21-01 for the Lincoln Park Smart Neighborhood Design Build Services with Fujitsu Network Communications of Richardson, Texas in the amount of not to exceed $998,110.

I would be happy to answer any questions you may have.

Chairman Matthews asked if any members of the board has any questions? I'm still concerned that we have four education facilities; CA Moore, Francis Kay, Lincoln Park Academy and the college. I'm still concerned one of those or two ought to be considered as a later site.

Mr. Mittler said we can definitely go back and talk with the city itself and talk about different WiFi locations. You know as part of the project, it was defined within those areas. I want to let you know that all those locations you speak about we currently have fiber installed into. Prior to me taking over FPUAnet, we had majority of all the St. Lucie County schools within the Ft. Pierce area under contract. We lost them. I would love to get them back and partner with them to provide WiFi or do something in those areas because we already have infrastructure going right into the schools. Prime example is when the Means Court Center was handed over to the city, within a few weeks we were able to install a switch back and offer the city a pilot project and so I'm excited about coming and working with Shay from the city's ITS group to kind of do this pilot program to get the city back as the customer.

Chairman Matthews asked you say that the school system has WiFi. Is it still equal to what we're trying to install?

Mr. Mittler said I can't speak whether the school system has WiFi. The buildings itself does have FPUAnet fiber located in it. To deploy something with the St. Lucie County School Board would be something that we could talk about in other conversations.

Chairman Matthews said I hope you would do it because the other thing that comes to my mind is the fact that we may have some funds that we don't know about it.

Mr. Mittler said sure.

Mr. Tompeck said I was going to mention that we've had some preliminary conversations with the city and the county. Hopefully, they will participant in the Zone 2 portion of this work here with some ARP funds that hopefully will be available.

Mr. Mittler said one other thing to note is we mentioned about additional WiFi at different locations and that could be something that's brought up is that area behind it. I assume you're referring to the parcel behind the actual college on -- is it 29th? I know it's just north of Avenue D. Once that's developed, it could be easily deployed if the city chose for us do something.

Chairman Matthews said it's my understanding, you can correct me, I believe the parcel of land the city owns behind the college.

Mayor Hudson said yes it is. FPRA maybe...one or the other.

Mr. Mittler said we've talked about it. Nobody has acted on it because it was kind of defined within the boundaries with Alleghany.

Chairman Matthews said all right.

Mayor Hudson said I have a question. Have you talked to your counterpart at the school district about those school sites?

Mr. Mittler said no. We haven't had a chance to really reach out to the school yet. I've had -- but I can. It's on a list to do.

Mayor Hudson said I would think Mr. Chairman, that maybe that's a school district responsibility that we could work with them on that. You know, and because I like the idea of the Means Court Center, Lincoln Park Recreation Center and the Morris Creek Park. I think those are good locations. We could work with the school district on the others.

Mr. Mittler said I think the idea is the Means Court Center we can showcase what a smart school looks like. What the smart neighborhood looks like and then from that we can start showing other municipals, possible partners, and say FPUAnet is here. We have ability to do various types of services. Would you be interested? How can we assist you in it? We have fiber at your location. We are now releasing ten gigabytes of service. I'm not sure why we lost the bid, really. I don't think we submitted one. I think that's what happened.

Mayor Hudson said you can always start that whole conversation again.

Mr. Mittler said we would love to. We're talking I think nine to ten schools that we already have fiber in and I would hope we could provide better service at a very competitive price to them.

Mayor Hudson said and I think you're right. The Means Court....we have an RFP, the city does, for Means Court operations and I think that once we have that operator and what we are going to do there that's a real central part of the Lincoln Park neighborhood and if we're doing the WiFi there that is sort of a prototype, maybe.

Mr. Mittler said yes. I think there's lots of options and a lot of discussions to be had.
Mrs. Gibbons said I have a question Mr. Chairman. The market study in that area, people in their homes how many of them approximately percentagewise actually want to participate in this service?

Mr. Mittler said the market analysis is not done as survey. It was done pulling from FCC data and finding about how many people have subscribed. I want to say -- I could come back with the numbers, but I know that Ft. Pierce had about 3% to 5% of fiber penetration. That was exciting for me because we have the opportunity to deploy and if we deploy fiber into the market, I think over all we could take a large amount of customers. The biggest challenge in Lincoln Park is going to be the actual funding, how can people pay for their service. I think that's going to be part of the solution where we have a system that the majority of the capital is covered already. Hopefully, we can offer a very affordable introductory rate to try to get many subscribers to sign up.

Mrs. Gibbons said so that's where Alleghany is coming in, then they will partner with the individuals?

Mr. Mittler said no. Alleghany partnered with the capital expense for a total of $400,000. The city of Ft. Pierce was $200,000, St. Lucie County was $50,000 and FPUA was $600,000.

Mayor Hudson said Mr. Chairman and there's state legislation that may or may not have been signed that has grant opportunities for broadband in underserved areas.

Mr. Mittler said there's actually some stipends available for $50 a month right now that President Biden just released. It's until all the money runs out. So the estimation of time is 1.5 years. The project completion of August '22, it's probably going to be really close to whether or not those funds will be available. FPUAnet will try to become one of those providers that can offer that rate where they would basically pay us $50 to connect a month. I don't know if we will be able to offer that service in that neighborhood at the time. Our goal is....materials are really hard to acquire right now. We're hoping that as soon as the design is completed, we can move forward with the ordering of materials and start construction immediately.

Mrs. Gibbons said then the $50,000 we got from county was that part of the grant money from the government?

Mr. Mittler said I don't think any of the money that was given was based on grants. I think it was more of just an MOU signed together to say we want to partner. We want to impact this community and Alleghany put together $400,000 and all the other individuals decided to step up. FPUA graciously put $600,000, the City $200,000, and the County $50,000.

Chairman Matthews asked are those dollars or a promise?

Mr. Mittler said those are dollars. When you say we haven't received the funds yet, they're going to be received based on certain benchmarks or milestones that we pass. One of them is really tonight. With the approval of this, and the signing of the new MOU the revised MOU, I think that should trigger about $450,000 of funds to begin this project.

Chairman Matthews said I hope we will advertise as we get people interested. Especially when you look at the businesses in the community, all the churches and the homeowners. We should have a pretty good market.

Mr. Mittler said I think it will take everybody's effort to get the information out. We will start the marketing side. You know it wasn't something that I really was ready to start a 1-1/2 ago. We didn't have all the plan really concreted down and it was kind of a concept and I think today we stand before you with a very solid plan and critical steps to move forward. I think that once we are in the process of developing some rates, because if I tell people I will provide service the first question they ask is what? How much? I think that we'll be coming back to you very soon with some rates and once that happens, then we can really start marketing. I think we will do some premarketing and get some interest. We have fliers and some surveys created where people can click on a QR code and start telling us if they are interested in the service. Who do you have? Are you happy with it? How much do you pay? We're fixing to move into that phase in the next few months.

Mrs. Gibbons said I'm assuming you will offer some different levels. Maybe if it's only $10 or $15 a month they can get the slowest speed or something like that, we're not just going to have it on or off; right?

Mr. Mittler said yes. The major difference between fiber infrastructure and existing copper systems is speed. It's symmetrical speed. It's not apples and apples. It's kind of apples and oranges. The types of speeds and network we're providing is not going to be anywhere comparable to what any of the other incumbents are offering. My suggestion is to offer 100 megabit rate. Offering anything lower than that it doesn't really cut any costs. Most of the cost is capital infrastructure of installing the fiber, the equipment, the monitoring of it 24 hours, 7 days a week, 365 day as year. There's just a fixed cost associated with being able to operate that. You know to be congruent with FPUA's mission statement to provide our customers with economical, reliable, and friendly service to enhance the quality of life in our community. I want to make sure that FPUAnet reflects that as well. I would not want to offer subpar service with bad customer service, but I think those are discussions that we'll definitely bring to the Board soon.

Chairman Matthews asked any more questions. What's the pleasure of the board for approval?

A motion was made by Ms. Cavalcanti, seconded by Mayor Hudson, and unanimously carried to approve RFQu 20-27: Approve Specific Authorization No. FUJ-93-21-01 for the Lincoln Park Smart Neighborhood Design Build Services with Fujitsu Network Communications, Inc. of Richardson, Texas, in an amount not to exceed $998,110. This Specific Authorization shall commence upon written Notice to Proceed and end upon final completion of the work and acceptance by the FPUAnet Manager, contingent on receiving the required Certificate(s) of Insurance.

Mr. Tompeck said the next item is in electric reliability update. Paul Jakubczak will make the presentation.

Mr. Jakubczak said thank you Mr. Tompeck, Chairman Matthews, and Members of the Board. I'm here to give you an update on two fronts. First, is the reliability of a 12 month ending March of this year as well as an overview of where we were at for calendar year 2020. Also, as you probably have already seen, if you previewed the slides where we are going to go and how we will go to get there.

Let's start with the first one. This is the frequency of outages. An average customer, according to this number right now, could expect to see about 1.5 outages per year. That's a little higher than we want. Our goal, at the end you'll see that in the slides, is below one. We are working towards lowering those frequencies and we will get into some of those items in the future here.

One of the things that FMPA has done and they've changed the way they did this. So what I've provided is a graph showing you how we compare to the other utilities of our size in the State of Florida. We're that dark red line. As you can see, a lot the municipalities of this size have congregated around the 1.5 outages per year. Which is okay. Ultimately we really want to be below one. Just to give you an idea of where we are at right now for first quarter of this year, we're at 1.7. Now that will accumulate so it will go up. Right now for the first three months of 2021, we are 1.7. Comparison to last year at this time we're right around the same numbers. You will see why in a little bit as far as where we saw a dramatic increase for our outages.

The second number that everyone talks about is CAIDI. CAIDI is how quickly we can restore power once we know there's an outage out there. As you can see we are at 61.24 minutes. We want to be under 60 and we've got some mitigation ways for that.

If you look at this graph you'll see a large jump in our CAIDI numbers are happening around September and October of last year. If you remember, we had a lot of afternoon storms roll through. That's when we received up to 19 inches of rain which we all could use a little bit of rain right now, but 19 inches is too much. So what happened is we had multiple outages going on multiple times. We had all crews, all hands on deck out there restoring power. However, we did it based on the necessity of the critical customers as well as the largest number of customers we can restore. So unfortunately some of those that had five customers out because of a transformer fuse blown those normally fall to the bottom of the list as we restored the hundreds and thousands of customers.

The last one we talk about is SAIDI. SAIDI is basically the same as CAIDI, other than this looks at the entire overall look for our customer base. At 95 minutes it's quite high. We try to keep that below in the 60's as well. First quarter of this year, we're at 80.31. You can see that we're high compared the CAIDI, but we expect that as we move forward through there.

As you can see on the next graph, September, October and November. Our numbers climbed up and then we slowly brought it back down according to number of outages and the quick response time that our crews work on.

Mayor Hudson said Mr. Chairman, can I ask a question? The beaches are low on this every single time. What do they do? That's Jacksonville; isn't it?

Mr. Jakubczak said that's Jacksonville Beach. A lot of their systems are underground. So they have a lot of their stuff underground now. Undergrounding is great because you don't have to worry about the trees, birds, frogs, squirrels and everything like that. Of course you know we have a running thing going on as to how many poles got hit over the weekend. Right now we've been three weeks in a row where people have run over our poles. You don't have all that. The downside of having a completely undergrounded system is when you have an issue with the cable fault it will take longer to restore power if you don't have a loop type system. That's why Jacksonville Beach is so low on there and if we showed the smaller utilities Winter Park is all underground and their numbers are extremely low as well.

Mayor Hudson said thank you.

Mrs. Gibbons asked do they have their substations underground as well or just the lines?

Mr. Jakubczak said just their lines. There has been some substations underground, but not in Florida. Most of their substations they need to dissipate the heat so that's why they put them up above. With your transmission lines you're normally not going to put large transmission lines underground. You will always have some type of exposure for overhead lines.

Mrs. Gibbons said you said frogs. Are they hiding themselves down there?

Mr. Jakubczak said of course, not everyone wants to have their power from a transformer to a house underground which is great thing. We highly recommend it. You also run into some of that as well.

This is the 2020 year-end comparison. It comes out in April. The PSC gathers all this data. If you remember from last year, Gulf Power was really, really high. If you go back to the history books a little bit last year Gulf Power was purchased by FP&L. FP&L has gone and put a lot of money into the reliability because that's some of how their bonuses are structured. That's why you see the number has drastically reduced. Our numbers last year, 1.4 for our frequency index, so our customers would see about 1.4 outages per customer. Average restoration times 61.92 and our average restoration time for the entire customer class that we have is 87 minutes. On a high note, our restoration time is lower than FP&L. We're responding and getting power restored quicker. We are lower in a few categories as far as the Florida municipal average.

One of the things I would like to mention too when we started looking to reliability statistics, as you start looking into items and you start digging in deeper you normally see that your numbers will spike and part of that is if you look at our responder, which is our outage management system, it's only been really running for about 2 to 2.5 years. That is actually tracking our outages and our times more efficiently or more effectively than it has in the past. In the past, it was call on the radio, yes I'm here, and I'm done. Now the operators need to decide when I got there. When did they leave? Now with the responder system it automatically will be able to input that in there and then input when they are done. When we get to our complete AMI outage management integration, you will probably see a little spike in the numbers. Because as soon as the meter sees that it's off it will start the time clock. Just be prepared for when you start seeing those numbers as well.

Here's the ugly chart. Our strategic goals for frequency index is between .5 and 1. Currently, we're at 1.5. Our CAIDI numbers 61.24. As you can see, that went down a little bit from our calendar year 2020 and then the SAIDI numbers are at 95 where we want to try and have them at 60. What are we going to do to try and do that? Some of this is all storm related. Unfortunately, we have to account for all storms unless they are named hurricane and tropical storms. There's a separate category taking care of for those. We had a lot of outages in September and October of last year. If you think about it it's all averaged. So if you get 100% on three tests and 60% on one test, now you looking at a 90% average. So now you have to work your way back up over the months to roll some of that off.

Some of the things we're doing of course we're doing our tree trimming and we're doing our maintenance, storm hardening, replacing poles, wood poles with concrete poles. We're also doing some capital projects. As you remember, Eric Meyer gave a presentation at the last meeting about the transformer replacement project. That's also to help with our reliability. A few months back he gave a presentation on the 69Kb breakers which will also help with our reliability. We've done quite a bit inside our substations by replacing breakers and doing our standard maintenance work on that. We also have done trip savers, which was part of our grid modernization. Basically it alleviates a lot of blinks on everyone's circuit when there's outage on a lateral. A little piece of a circuit. It will take care of that instead of having the entire circuit blink.

We're also reviewing our worst performing circuits and we're looking at doing overhead underground project where necessary. One of them that we're doing now is an overhead to underground conversion down the street here between Orange and Citrus and 7th and 10th. We notified and noticed that that was having a lot of issues, a lot of outages. So we went ahead and started an overhead to underground project with that.

We're also are reviewing all the numbers with the T&D staff, engineering staff, and operations staff to get input from the field of what we can do to help bring these numbers back down into a reasonable number.

With that I'd be happy to answer any questions. I was actually given some advice just to get the room a little wider and let everyone know that these numbers are not reflective because of COVID last year.

Chairman Matthews asked Board Members, any questions?

Mrs. Gibbons said I had a question. I have noticed on my path home some poles that get hit regularly and is that also maybe on the agenda to review ones that are consistently hit in the area to go underground?

Mr. Jakubczak said when we look at that we'll take that into account. Unfortunately, sometimes we can't eliminate a single pole. It will have to be a whole block, street or couple of streets because it's really bad for the system to go over head and underground, overhead and underground. It's really hard to maintain that. If there are poles and stuff out there that get hit normally we will look after the second time and say maybe we should relocate this pole or put a little bit of a sturdier pole in and see if we can offset as long as we're still in the right-of-way area and try to relocate them.

Mrs. Gibbons said like Seaway is a target and Sunrise; right?

Mr. Jakubczak said there's quite a bit that get hit. Seaway normally gets hit a lot for the street light poles. Normally, there's one or two down. It's really hit or miss as far as where people hit poles. There's some that you would think how do they ever get there to hit a pole, but they do. We had one a couple of weeks ago that the person was turning on to 29th Street off of Virginia and overturned or overcorrected or really shouldn't have been driving because of certain levels in their body and they chose to take out a guide wire which was holding up the pole. We had to go out there and straighten that up as well. A personal experience normally as soon as we know the pole is hit we will get it fixed. Where our surrounding neighbor there's a pole down on south 25th Street that's been hit over a year. It's just braced right now and has not been replaced.

Chairman Matthews said this is a hypothetical question. A person that is living maybe on the beach, do they have their lines hit compared to a person living on the mainland?

Mr. Jakubczak said we don't look at where the location is. We count number of outages. We do restoration and also grid modernization storm hardening based on either pole inspections which we have done on the yearly basis. They will do an eighth of the system every year or fifth of the system every year. That report will come in and tell us where we need to go ahead and replace the poles. If you remember a couple of months ago we approved an overhead contractor to come in. That's what their main focus is, replacing I think 120 poles throughout our system. Some of the rebuilds that we will be doing here and you will see in the budgets coming up on Friday is the start of rebuilding some of the oldest lines in the city. The one going down Edwards Road between Jenkins and 25th. It's old and overgrown and it's time to replace. That's one of our main

ties between our substations. We look at that as well for reliability to make sure we keep the people in power.

Mr. Tompeck said the next item is the March 2021 Quarterly Financial and Barbara Mika will make the presentation.

Ms. Mika said thank you Mr. Tompeck. Good afternoon, Chairman Matthews, Mayor Hudson and Board Members. I will present to you today the financial operating results for March of 2021.

Here's the highlights for the 6 month to date for fiscal year 2021. Our year to date operating revenues of $48,764,000 brought an increase of $1.6 million over the first six months from fiscal year 2020. We experienced increases for all systems in sales of residential and general services. Both water sales were up by 35% over last year. However, we experienced a similar decline over the other operating revenues over the past six months for items that related to COVID.

Our operating expenses increased over the first six months also from fiscal year 2020 by just over $1,000,000 and that was mainly through increased purchases resale. About half million dollars and depreciation expense which was up by about almost $400,000. So the combined effect of these increases in the revenue and expense brought an overall increase in our year to date operating income of $550,000 for the six months.

Our capital contributions for the first six months of fiscal year '21 were greater by $415,000. That came in the form of water and wastewater capital improvement charges from developers and the movement in the housing construction.

After the adjustment for the first six months of the distribution to the city, our March year to date increase in net position was just over $1 million dollars and I attributed that directly related to increases in the residential and general services revenue.

This is our three year comparison of the year to date electric revenue less the cost of purchase power in relation to consumption. Fiscal year 2020 brought a 3% increase in the adjusted operating revenue which was consistent with a 3% increase in consumption from fiscal year '19. For the current year to date the consumption was up 2% when compared to the same period last year with revenues higher in comparison by 4%.

The cost of our purchase power in fiscal year '20 a savings of almost $1.4 million from 2019 cost of purchase power and comparison the electric purchases for resale for the current year is showing an increase of a slight increase of about $300,000 from last year.

Fiscal year '20 water operating revenues and consumption up slightly from fiscal year '19 with steady increases in both unit sales and revenues. For fiscal year '21 the operating revenue and

consumption both trended up 6% when compared to last year and the increase is a result of the water sales for resale. They continue to grow.

Taking a look at wastewater operating revenues. While gallons billed remained flat in fiscal year '20 the revenues fell short from the year-over-year comparison due to the capacity of reductions that we recorded in 2019. In the current 6 months to date, the wastewater gallons billed this year increased nicely by 8% with operating revenues greater in its comparison by almost $380,000 which is 6% over last year 2020.

Fiscal year '20 natural gas operating revenues less the cost of the gas purchased along with consumption show a 3% overall increase revenues and a 6% increase in consumption from the prior year to 2019. That was mostly general service sales. In the current fiscal year of '21 revenues and consumption continue to rise over the prior year. Adjusted gas revenues increased by 4% as did the consumption. Also, regarding the cost of gas, for the six-month period reporting we experienced a 7% cost savings in the cost of purchase power last year over the previous year. This year for the first six months it's beginning to inch back up towards 2019 with an increase of from last year of $200,000 in overall for the six months in comparison to last year. Cost of purchase power and gas is edging up a little bit.

This is our debt service coverage ratio for the 12 month average of net available income to our net current debt service. For the 12 months ended March 2021 our debt service ratio was 3.28 times and the ratio for the 12 months ended September of 2020, 3.16 times. Our bond covenants require we have a minimum ratio of 1.25 times so we are well within compliance for our debt service. Additionally, being it's the March quarter end our bond covenants require us to maintain minimum days of cash at the end of March and at the send of September of 45 days and we are also in compliance with this requirement.

This item was for information only. If you have questions, I would be happy to address them.

Chairman Matthews asked any Board Members? Mr. Tompeck do you have any reports for the Board?

Mr. Tompeck said I have a couple of quick items. We had a problem with a wastewater line over the weekend. The line between the Harbor Town lift station and lift station A was clogged and backed up at the Harbor Town lift station stand which caused an overflow and a discharge of approximately 4,000 gallons of wastewater into the intercoastal just north of the north causeway. The state was notified as required. Our crews and contractors worked to free the line which was accomplished late yesterday afternoon. Sampling is currently being conducted as required and will be completed within the next few days with concurrence from the DEP.

The second item is, I sent you an e-mail on this, and the Fitch rating service completed their yearly review of FPUA which included a COVID-19 stress test. Based on their review Fitch reaffirmed our A+ rating with a stable outlook and the press release which I forwarded to you contains details of the review.

Lastly, a quick reminder that our 2020 Budget Workshop is scheduled for Friday at 10:00 a.m. in the Energy Services Center on 37th Street. The workshop should take about two hours. That's all I have Mr. Chairman.

Chairman Matthews asked any Board Members?

Ms. Cavalcanti said I have a question. Do we alert swimmers for example over at Causeway Cove when there's 4,000 gallons?

Mr. Tompeck said yes. I didn't see them myself. When I talked to our wastewater collection supervisor they did put some postings up that there had been a spill.

Ms. Cavalcanti said there seems to be a lot of people swimming in there today, yesterday.

Mayor Hudson said wasn't it north of North Bridge?

Ms. Cavalcanti said they have currents go through there.

Mr. Tompeck said it was north of North Bridge, yes.

Ms. Cavalcanti said right, but the current still goes-----

Mr. Tompeck said I think we put some signs where the actual spill happened on I believe Sunday. Sunday about noon-ish or there about.

Mayor Hudson asked did you do any water testing?

Mr. Tompeck said we're doing the sampling right now. I think they are doing four samples and then they will do that and provide the results to DEP and then at some point DEP will say okay you're finished. You don't need to do more sampling.

Chairman Matthews asked have we ever had a backlash that we got fined?

Mr. Tompeck said not that I recall. I would have to go back and take a look at that. Nothing for certain the last four years. I know we haven't gotten fined for anything.

Mrs. Gibbons said where was the site? Where did it happen?

Mr. Tompeck said Harbor Town.

Mrs. Gibbons said right in Harbor Town?

Mr. Tompeck said actually the -- I think it was a clean out north of the Harbor Town lift station by inlet fisheries where -- I think some of the -- they had some –

Mayor Hudson said inlet fisheries not Harbor Town; is it?

Mr. Tompeck said it's just north of Harbor Town. It didn't flow out of the lift station Harbor Town. It flowed out of a clean out that was north of the lift station.

Mayor Hudson said okay.

Chairman Matthews said a lot of people wouldn't even know. When the press gets involved that's how you know what's going on.

I have a last minute one.....We had a speaker come forward. I would like to see could we do a report not on the speaker, but if any damage has happened by the transformer that particular time come back with a short report? Has nothing to do with the speaker. I'm talking about if there are other people that received damages we need to know with the Board.

Mr. Tompeck said we receive a certain number of claims and we do an evaluation of those claims. Based on the particular incident and based on information they provided us some of them we will settle some of them we turn over to the insurance company.

Chairman Matthews said legal, what do they call the organization?

Mr. Tompeck said I don't know what kind of report you'd be looking for. We can certainly give you some kind of summary.

Chairman Matthews said the calls that come to you. They might have been phone calls that came to your customer service or something.

Mr. Tompeck said when we get a call like that. You know, we'll talk to the customer and explain to them the claim policy. We do require them to fill out a form into identify their cost and to back that up with some documentation and then we'll evaluate the claim.

Chairman Matthews said you don't think it's necessary to kind of do some research and give us an update?

Mr. Tompeck said I will be glad to give you any kind of update you're looking for. If you'd like to just have an idea how many claims we handle and how they're dispositioned, I can certainly give you that.

Chairman Matthews said yes.

Mr. Tompeck said ok.

Ms. Cavalcanti said was there anyone else that day that had a problem of damaged equipment?

Mr. Tompeck said I'm not sure. I don't believe we got any other claims associated with this particular event.

Ms. Cavalcanti said so it was a fire at a substation on Savannah Rd?

Mr. Tompeck said I believe it was a –

Chairman Matthews asked which location –

Mr. Gang said it was a burned switch outside of the substation.

Ms. Cavalcanti said it caused loss of power.

Mr. Gang said right.

Ms. Cavalcanti asked how long was the power down? Is this a normal thing?

Mr. Jakubczak said what happened is the switches that come out of a substation you see them on the lines one of them burned loose. For whatever reason came down tripped off the breaker shut off the power to the 7 or 800 customers on that thing. Just so happens our crews happen to be in the area, saw it and isolated the power turned the power back on to all the other customers by rerouting it over to another circuit. I don't have the exact report with me, but I'm guessing probably within 30 to 40 minutes everyone had power back restored.

Chairman Matthews said what I'm interested in if someone's power went off, did we get any damages that we know of from it not coming back on?

Mr. Gang said this was the only claim we received got related to this incident.

Mr. Fee asked what is the nature of his claim? Power went off and food went bad? Or is he claiming that some sort of power surge came through and destroyed---

Mr. Gang said power quality. Power surge came through and some of his equipment was damaged due to that.

Mr. Fee asked is that possible when you turn the power back on?

Mr. Jakubczak said anything is possible. I know we've gotten claims before where people have turned on their power and flip on light switch and blow a light bulb. You know it's just something that happens. A lot of the equipment nowadays rides through that. If you think about you know when you used to have the microwaves and your stove, as soon as you had a blink you would see it flashing so you knew the power was out. Now they put a little capacitor/battery in there so it rides through the on and offs. Is it possible that the equipment got damage from a power surge? Sure. Most of the equipment nowadays has the ability to ride through it. Like Josh mentioned out of the 800 or so customers, this is the only incident report that we had gotten from any of those customers.

Mayor Hudson said Mr. Chairman, what's the standard that you do when you get a complaint that says my equipment was damaged because of the power outage? What are the steps that you take?

Mr. Gang said generally once I get that complaint, I will reach out to the customer and ask them to provide documentation and details on what was damaged and cost of repair. Then we do an investigation. Identify what the cause of the outage was, if it's a power outage. In this case, a burned out switch. Then based on that, because its failed equipment, under our policy FPUA is not responsible for failed equipment or acts of God that's beyond reasonable control. We would then send it off to FMIT for them to make a secondary evaluation and confirm our findings. Then if there's a claim settlement, they will tackle that settlement with the claimant. Obviously, if it's something we know we caused damage, for example one of our vehicles runs into someone's fence we may take that on ourselves and get a couple of quotes and pay for the fence to get repaired. Because we know we caused damage. But, in this case we'll ship it off.

Mayor Hudson said did the person -- did the speaker to your knowledge fill out a claim report?

Mr. Gang said no, I have spoken to him by phone. He gave me a list of some items that were damaged and I received e-mail from him with that same list. No estimates, no real dollars in order to assess the value of the claim.

Mayor Hudson asked how does he do that? Does he have to call someone in to evaluate what the damage is?

Mr. Gang said he obviously is going to have those items repaired. Air conditioning units, compressors, routers things like that that may have been damaged. Then he would have the cost from those and generally we'll ask for copies of those if there's something that needs to be

repaired in the future. We'll ask them to get an estimate or two or three. So we have some comparisons.

Chairman Matthews said I'm trying to keep common sense. One, if the food was damaged. That's a different kind of claim?

Mr. Gang said it would be under the same type of claim. If there was equipment that was damaged and that led to spoilage that would be encompassed in the same claim.

Chairman Matthews said the other common sense part. Someone maybe should have gone out to see exactly from your experiences what actually would be damaged. How would the person know which way the damage came? Is it their fault or act of God or what? I don't see why someone didn't go on site to look.

Mrs. Gibbons asked do we go inspect every time someone files a claim?

Mr. Gang said we provide power to that point of connection. Everything on the customer side after that we're not responsible for that. I'm not sure what equipment we would be inspecting at that point.

Mr. Jakubczak said we would not have the expertise to be able to inspect all types of electrical equipment, water equipment and wastewater equipment. Whatever the claim is. We don't have that expertise to be able to go in and see if a refrigeration unit or ac unit is failed. That's not what we do as Josh mentioned we provide power to a point of service. After that point of service, it's up to the individual to determine what they want. A lot of the electricians when they do buildings and stuff like that; they recommend getting what they call a surge arrester or surge strip inside the panel to protect some of these issues that you may have from a potential surge coming from the power company to protect their equipment.

Mrs. Gibbons said I was going to ask that too. Is there some kind of filter when that happens? When you flip the switch back on. Is there like a filter system so that it doesn't just go boom or does it?

Mr. Gang said again, we provide to that point of connection. We can obviously go and test the quality at that point of connection if that was a concern. The customer can install a surge protection on their breaker. It's called a whole business surge protection.

Chairman Matthews asked should we be telling customers they need to do that up front?

Mr. Jakubczak said we do suggest it. They should look at something like that. Especially when we get a power quality complaint. Saying I'm seeing flickering lights and there's issues here. We will go out and do a survey to see if our power coming in is good. If our power coming in is good then

we recommend you may want to get an electrician. We could help you look at different ways to prevent some of this stuff. Talk to electrician. They have the surge protection for a whole house. Plug strips if you remember for plugging in your computer. The GFI receptacles will protect the equipment that's plugging into the walls.

Chairman Matthews said okay.

Mayor Hudson said Mr. Chairman. What I think I hear you saying is that if there's a power outage it's not the responsibility of FPUA if something is damaged or have we paid claims when something is damaged?

Mr. Gang said that's correct. If there's a power outage that is beyond our control, storms, acts of God, failed equipment. FPUA is not responsible for that damage.

Mayor Hudson asked we haven't paid a claim for that kind of damage; is that correct?

Mr. Gang said correct. In the time that I've been working for FPUA we haven't.

Mayor Hudson said and that's standard. That isn't just this person, that's standard.

Mr. Gang said across the board. That's per our policy.

Mr. Fee said so just to summarize. The UA's obligation ends at the point of connection correct? Unless the point of connection is faulty or leads to damage. In the case of the speaker, sounds like to me we have an act of God that caused the switch to burn out.

Mr. Gang said failed equipment.

Mr. Fee said there was no negligence on the part of the UA. It's just something that happened. The point of connection with the customer was good. At least as far as we know and unless he can show the point of connection was faulty it's not going to be the responsibility of the UA to repair these specific pieces of equipment he was complaining about that went faulty.

Mr. Gang said yes that's correct. That piece of equipment had been inspected as recently as December 2019.

Mr. Fee said so to summarize. Surge protectors are a good thing for the customers if they can get one.

Chairman Matthews said we need to go overboard to kind of encourage them to get involved with extra protection for themselves. Another problem I got, I think when we have a problem like

this, did anybody the area of that same block one way or two blocks away have any problems? Did we get any calls like that?

Mr. Jakubczak said we have not received any calls from anyone else on that circuit.

Chairman Matthews said okay.

Mr. Jakubczak said and as you know, that circuit runs all the way down and picks up Wells Fargo and the bank. Some goes down US 1 to the shops down US 1 south of Sweeney's then back into the residential area as well.

Chairman Matthews asked any more questions. Thank you.

There being no further business, the meeting was adjourned at 5:10pm.

ATTEST:

SECRETARY

CHAIRMAN