MINUTES OF A REGULAR MEETING OF THE FORT PIERCE UTILITIES AUTHORITY, TUESDAY, JUNE, 15, 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.

Others present: John K. Tompeck, Director of Utilities; Attorney Amy Shevlin (for Rupert Koblegard, III, FPUA Attorney), Barbara A. Mika, Director of Financial Services; Paul A. Jakubczak, Director of Electric & Gas Systems; 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 Shay Johnson of City of Fort Pierce, ITS Manager.

The Pledge of Allegiance was recited.

The roll was called and a quorum declared.

Chairman Matthews said Mr. Tompeck would you tell us what our award is and the person that will be presenting.

Mr. Tompeck said Barbara Mika will present the GFOA Distinguished Budget Presentation Award. You have that look on your face that you didn't bring it with you.

Ms. Mika said it was a piece of paper. We received the Distinguished Budget Presentation Award for our Budget for Fiscal Year '21 and all the work that goes into it. The due diligence of the employees and staff. I think this is our 19th year running that we've gotten the award. We're very proud of that!

Mayor Hudson said so the news would be if you didn't get the award.

Ms. Mika said we wouldn't be here.

Mayor Hudson said we wouldn't notice, right? Congratulations!

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 Mrs. Gibbons, and unanimously carried to approve the Minutes of the Regular Meeting of May 18, 2021.

Chairman Matthews said at this time do we have any comments from the public? Chair does not recognize anyone wanting to speak. The public hearing is closed.

A motion was made by Mayor Hudson, seconded by Mr. Gibbons, 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 21-18: Approve the Contract for a 25,000LB Automotive Lift at ESC with Mohawk Resources LTD. INC., of Amsterdam, NY, in an amount of $25,864.52, through participation in the Sourcewell Solicitation Number RFP#013020. The contract shall begin on June 2, 2021 and end upon final completion of the work and acceptance by FPUA.
3. Approve Post Project/Budget Request in the amount of $89,000 to install a new 6" P.E. main.
4. Approve the budget transfer of $70,000 for T&Ds Pole Replacement Project (505) to continue replacement of failing outdated distribution poles on FPUA's system. This will increase the budget of the 505 project to $460,000.

Ms. Sabota read the following letters of appreciation into the record:

1. An email was received by one of our customers, Chris Dzadovsky expressing his happiness in Seritta Reeves (Customer Service) handling his challenges.
2. A message was received via our website from a customer, Louise Bernier, complementing Wendy Tomlinson (Customer Service) for helping her with her account.
3. A voice mail was received by a customer, Mr. Thomas Lewis, thanking Ashley Levin (Customer Service). He complimented on her positive attitude and for taking the initiative to call him back.

Chairman Matthews said the Chair has two things to recognize. One of the letters is from our County Commissioner, Mr. Chris Dzadovsky and we appreciate his interest in doing that. The second is that we have the City Manager, Mr. Nick Mimms present today.

Chairman Matthews said Mr. Tompeck can you bring us into the new business.

Mr. Tompeck said thank you Mr. Chairman. The first item this afternoon requests your approval of the pole attachment policy. Eric Meyer and Jakub Pajak will make the presentation.

Mr. Meyer said thank you Mr. Tompeck. Good evening Chairman Matthews and Members of the Board. I would like to present to you our latest utility pole attachment policy and review key

aspects and goals that we wish to resolve by leveraging this policy. Along with me for this presentation this evening is our electrical engineer, Jakub Pajak who helped draft this policy.

FPUA currently has 14,047 distribution poles used system wide within our electric service territory. FPUA uses these poles primarily as a means to distribute electricity to our customers where the top portion is used for our primary and secondary voltages for service.

The middle portion of the pole is used for third party attachers to FPUA poles like our current users AT&T, Comcast and FPUAnet. The picture illustrated on this slide displays one of our FPUA owned concrete poles with significant third party attachments connected. Since other communication companies use aerial space to provide service for their customers, FPUA provides availability for a third party attachment to our utility poles based on the governing electric utility code, the national electric safety code, or the NESC. In order to manage the third party attachments to our poles, FPUA created and entered into contracts and agreements with two of our current attachers, AT&T and Comcast. These contracts were signed by both parties more than 30 years ago. Due to the dated nature of our existing joint use contract, FPUA will need to create and implement a new utility pole attachment policy for several different reasons.

The first reason is to modernize and to update our existing attachment policy guidelines. Many technological advancements have been made in the communications industry since the early 90s and different types of pole attachments from these communications companies are required. An example of this would be the advancements of the cellular phone, where data usage is commonplace today. Different forms of communications modules are needed for these advancements. In order for them to implement they must leverage utility poles for this purpose. As an example, communications companies across the country are implementing 5G networks by utilizing electric utility poles.

The next reason is to avoid attachment violations with regulatory agencies like the Public Service Commission or the PSC. Adequate clearances must be maintained from ground to overhead. If these clearances are modified by regulatory agencies then the third party attachers who are the closest to the ground will need to fix the issue.

The third reason is to provide a checklist for FPUA employees to follow which will ensure that the approved attachments are being made to FPUA poles and the process for attaching is followed. An example of this would be to confirm spacing requirements are being met on the pole since multiple third party attachers are used within the same space on the pole.

The fourth reason is to enforce the policy evenly and consistently so that there's no ambiguous or vague situations encountered.

The two pictures illustrated on this slide show issues that we have encountered with our joint use attachers. Being poor construction transfer to the new poles on the left picture with the old

pole still connected or no transfer occurring at all on the right picture with the old pole still in place.

Another major reason for this new policy is due in part to recently proposed legislation in the Florida House and Senate. This legislation was introduced to push for a rural broadband initiative which would impact only municipal utilities. The Florida Municipal Electric Association, also known as FMEA worked with FPUA, other Florida municipalities, and local politicians of other various municipal utilities to modify the language of the bill in a way that would be suitable for municipalities and not one sided for communications companies to abuse municipal pole attachments.

Some of the pros of this new legislation are the absence of FCC formulas or rules leaving the municipal utilities freedom to determine attachment regulations. A three-year incentive rate for unserved and underserved communities as defined by The Office of Broadband. A deployment reporting process for utilities to keep track of attachments, workers safety, language and equitable pole replacement language. Some of the cons are that they only apply to municipalities and renegotiations only occur on a yearly basis. Having the pole attachment policy in place will provide FPUA with a means to work within any new legislation and to provide FPUA with our own path of pole attachment rules and regulations.

This pole attachment policy serves to provide our existing and future third party attachers with straight forward and clear guidelines to meet if they wish to attach to FPUA poles. The policy outlines all steps from start to finish to make for an easy to follow process with detailed descriptions on what may be adhered to for attachment. Specifically, the policy delves into the workers safety and insurance requirements that these third party attachers must follow. The guidelines for cable attachment to FPUA poles and the guidelines for wireless facilities that will be attached to FPUA owned poles. These guidelines are based on modern equipment used to attach to the pole and the applicable codes governing their construction from the NESC, FDOT, PSC and other federal, state and local code enforcement authorities.

It's important to point out that these other entities, aside from communication companies, can apply for an attachment to a FPUA owned pole. It is up to the discretion of FPUA to either approve or reject their application for attachment.

The policy will also demonstrate how to apply for attachment to FPUA owned poles by providing hyperlinks to FPUA.com for a quick application submission. FPUA.com will provide a potential third party attacher with an easily accessible method to apply for the attachment. In the end, this policy will be used to properly enforce third party attachment standards as defined by FPUA and the other code enforcement authorities.

The policy will also provide guidelines for construction quality of the attachment to ensure that above all else the safety and well-being of the public is adequately protected.

To include this presentation, staff is proposing to the Board to approve the FPUA pole attachment policy that will provide a framework for permitting, review, and approval of requests to attach any equipment and facilities to FPUA owned utility poles. Staff believes that this policy will help FPUA modernize processes and procedures for future third party pole attachers.

With that, Jakub or I will be able to answer any questions you may have.

Chairman Matthews asked does any Members of the Board have any questions?

Mayor Hudson asked is there a fee?

Mr. Meyer said no ma'am.

Mayor Hudson said I remember there was some legislation where the state legislature said that we had to allow third parties to attach to our poles. Are you familiar with that legislation?

Mr. Meyer said Mr. Jakubczak maybe you'll be able to help answer that.

Mayor Hudson said it's a vague memory. I can't remember.

Mr. Jakubczak said you are correct. That was a couple of years ago they looked at limiting what you could charge per pole. One of the things in this legislation that we were able to get out was the FCC formula. That FCC formula was put together basically because the telecoms lobbied the federal government. By doing that they dropped their rates considerably for what the actual true attachment costs would be. So we were able to get that out of the legislation as it passed through the House and the Senate and were able to produce our own rates for that. However, one of the parts of it is kind of a pro, but it's a con is that we can't renegotiate any rates for a period of one year and I believe the legislation begins on July 1st. One of the things that we also did with this and you saw it in there, we kind of put it let's put your money where your mouth is. So we went to an incentive rate to allow people in broadband to do underserved and unserved areas as designated by the broadband council that the state just put together. Once they determined it is an unserved/underserved municipal utilities we'll only charge $1.00 per year for the first three years, I believe is the way it's set up. After that they'll have to renegotiate the rates according to whatever our current standard formulas are per our agreement.

Chairman Matthews asked if a pole catches fire and you have them using the same pole do we have to think about liability?

Mr. Jakubczak said the only liability we would have would be for our stuff. Also, one of the things that we're running into which everyone sees around town has to do with the pole transfers. As we get ready to start renegotiating there's tougher language inside the actual agreements that

will allow us to do different things to make sure that they do the transfer in a timely manner as well. The policy gives them the guidelines of what we're looking for to follow, but the actual agreements themselves will give you all that hard language that will force them to do different aspects of what they should actually be doing.

Chairman Matthews asked who actually uses the poles from the outside? Cable? Telephone? Who uses the most from your experience?

Mr. Jakubczak said right now AT&T is a joint use. So basically, they have half the poles, we have half the poles in the city. On an average basis we actually have more than they do. We will be doing a pole attachment inventory for that. The most for the attachment itself it would be cable tv or fiber companies are the ones that really attach to the poles.

Chairman Matthews asked any more questions? Thank you for that and for your presentation. Do we have a motion for approval?

A motion was made by Ms. Cavalcanti, seconded by Mayor Hudson, and unanimously carried to approve the FPUA Pole Attachment Policy that will provide a framework for permitting, review and approval of requests to attach any equipment and facilities to FPUA utility poles.

Mr. Tompeck said the next item requests approval of three FDOT utility work agreements associated with the work on the North Causeway Bridge replacement project and Lugey Dawson will make the presentation.

Mr. Dawson said thank you Mr. Tompeck. Good afternoon Chairman Matthews and Members of the Board. Today I'm here to present to you the FDOT utility work agreements for the North Causeway Bridge Replacement Project.

On September 1, 2020 the FPUA Board subordinated 6 utility easements to the FDOT to facilitate the upcoming North Causeway Bridge Replacement Project. A condition of the subordinations requires FDOT to compensate FPUA for any impacts to utilities caused by this construction project. The estimated costs to relocate FPUA facilities is $737,297.00 which would be included in the upcoming FY-22 capital budget.

FDOT agrees with the amounts and describes the terms of compensation in the attached utility agreements. FPUA's required to sign each FDOT utility work agreement in order to receive funds to complete the relocation of the existing 8 inch groundless sewer and 6 inch first main costing $442,720.00. The 8 inch water main costing $57,280.00. The underground electric at a cost of $206,017.79 and 4 inch gas main costs $31,279.21 which are in conflict with the proposed improvements.

Staff is looking to start the utility relocation work in October of this year in advance of the FDOT contractor starting in February of 2022. Therefore, staff is requesting approval of the three utility work agreements.

With that I will be happy to answer any questions you may have.

Chairman Matthews asked any Members of the Board have any questions?

Mayor Hudson said no. As long as it's completely reimbursable.

A motion was made by Mayor Hudson, seconded by Ms. Cavalcanti, and unanimously carried to approve three Florida Department of Transportation (FDOT) Utility Work Agreements for utility work and reimbursements associated with the FDOT State Road A1A North Causeway Bridge Replacement Project in the amounts of $442,720.00 for the Wastewater system, $57,280.00 for the Water system, $206,017.79 for the Electric system and $31,279.21 for the Gas system.

Mr. Tompeck said the next item is a status report on the PCA for April 2021 and Barbara Mika will make the presentation.

Ms. Mika said thank you Mr. Tompeck, Chairman and Board Members. Good afternoon, I'm here to provide you information about the status of the April Power Cost Adjustment and with the updated projections through April of 2022.

The power cost recovered through customer billings that are in excess of our base power cost are accumulated and credited back to customer through PCA adjustments. The cost of power purchased from FMPA for the month of April was billed to FPUA at a rate of $68.69 for 1,000 kilowatt hours. This was a decrease of $4.36 as compared to the March billing. In April, FPUA experienced an under recovery of $124,260 bringing the cumulative of over recovery to $2.9 million.

This chart tracks the cumulative monthly balance of the PC over recovery in relation to the power cost adjustment with levels going back two years to April of 2019 and forward for 12 months to April of 2022. The power adjustment at the end of April was negative $8.00 per 1,000 kilowatt hour as is represented by the blue line across the bottom. What is not shown in this graph is the approved reduction effective June 1st from negative $8 to negative $12 for that 1,000 kilowatt hour.

On the top of the chart the blue bars represents the actual monthly over recovery where the orange bars depict what the over recovery would be if the forecasted numbers that we have are correct. These projections have been prepared by Raftelis Consultants and are based upon the data prepared by FMPA.

Since the March forecast, FMPA's estimate of the cost of purchase power for the next upcoming 12 months has increased by 1%.

This graph represents a comparison of the projects projection trending on the power press through April of next year. Based upon the current forecast, the $4.00 decrease that went into effect in June with lower costs through October allow FPUA to give back to the customer through the lower PCA. As costs are projected to increase in the fall and into the winter months over recovery will begin to fall off. It was originally presented to the Board that a summertime decrease would have an October 1 increase and I wanted to demonstrate the difference that we will see moving forward.

The two scenarios we have here include negative $12.00 PCA in effect through the end of September, with the green line showing a $4.00 increase on October 1st and the red line showing no change and continuing with the negative $12.00 PCA. The current FMPA projections have our average cost per 1,000 kilowatt hour at or below the base power cost through February of '22. We will continue to evaluate monthly projections that we receive from FMPA and present them to the Board. Based on these assessments it's a recommendation to make no change to the power cost continuing until the forecast indicates that some change is necessary.

If you any questions or comments regarding this recommendation I'd be happy to address them.

Chairman Matthews so no recommendations.

Ms. Mika said no recommendations for a change. We haven't even seen the $12.00 come into the graph yet.

Chairman Matthews asked any Board Members?

Ms. Cavalcanti said I won't be voting on this probably when we go to change again. I would hope that my fellow Board Members would remember that if we increase the PCA amount to a negative $12.00 to negative $2.00 for the months October through April when people use a whole lot less kilowatt hours so they will not feel it much in their bills. It's sharing the pain with everybody who is down here for the winter and then we build this number back up, the over recovery back up, to $4 to $5 million. Then in the summer the Board is able to turn around and reduce it again back to a negative $12.00 or depending on what the costs are of course. I would suggest if you keep looking at this graph and you look at the months, October through April, it can get built up every year. It's going to help the residents who live here year-round who pay the costs of this. That's my opinion.

Ms. Mika said if there's any adjustment you made October 1st it will be presented in September.

Ms. Cavalcanti said right and maybe October 1st you do a gradual and in November you do the big ones because that's really when the people start coming. That's when the amount of kilowatt hours drops off drastically.

Chairman Matthews said the other thing I'm concerned about is during those months when you have a slow day at the office you could work on some type of projected figures for those periods of time.

Ms. Mika said projected usage consumption the winter months.

Chairman Matthews said you can't be accurate on it, but we can.....

Ms. Mika said we kind of do that when we're doing our budget. We trend it so we can project what we think we are going to have for the whole year, but we kind of blend it in the budget.

Mayor Hudson said to Ms. Cavalcanti you'll be here until the end of September to remind us.

Ms. Cavalcanti said those will be my parting words.

Chairman Matthews said she's anxious to talk about the future.

Mr. Tompeck said one other quick item, just a note, I listened in on the FMPA rate call which I have every month and the forward curve for gas is a little bit higher than had originally expected. Gas is running about 18% higher than it was at this time last year. So potentially we may need to do something a little earlier in October. We'll see how it pans out.

Chairman Matthews said any more questions from the Board? Barbara thank you.

Mr. Tompeck said the next item is an update on the FPUA Claim Policy and Josh Gang will make the presentation.

Mr. Gang said Mr. Chairman, Madam Mayor, and Members of the Board. As some of you may remember we did a version of this when we redid the policy back in 2018. This is just a review and update on what the Board already -- what most of the Members have seen, some haven't. The goals of our claims policy is to provide a clear set of guidelines for how FPUA investigates, reviews, tracks and results claims. We look to resolve those claims in line with our general rules and regulations and that's what drives all of the decisions we make and set out where our liabilities may be.

Our goal is to process claims promptly, efficiently and fairly. We try to process them internally within 14-21 days and that's from the date we receive it until we get all the information from the

customer/noncustomer claimant. Our departments review it and it gets reviewed internally. From there, if they are not resulted internally, we want to get them resolved within a 60-90 day period. That's based on us sending them off to our insurance carrier if needed. Depending on the insurance carriers review and analysis it could take longer. They sometimes request additional information from us. That's a back and forth with us and them. As the Board is aware, claims are evaluated on a case-by-case basis based on the facts and circumstances of what we are looking at.

Again, I said our claim policy is driven by our rules and regulations for utility service and what I have on there in front of you is Resolution UA-2009-2013, Section 2 and Subsection D-4. The UA shall not be liable for complete or partial failure or interruption of utility service or fluctuations in electrical voltage, low water or gas pressure resulted from causes beyond our control.

Our procedures are pretty straight forward. We have an incident, the customer either comes here or they call in and we give them a claim card. We can also e-mail it to them, or they can pick it up or we can mail it out to them if they want. The claim card, included in your packet, and I've cut and pasted the key piece here which is based on the rules for the continuity of service. It says that we are not liable for things beyond our control and then I've listed out a series of things that would be beyond our control. This is on claim card. I'm not going to read them to you. They are all the same obviously about most common types of events that happen. Such as accidents, equipment failure, breakdowns, voltage fluctuations, animals, vandalism and people driving into utility poles. I've included the same note here that is included on the claim card.

Customers often want to consider filing a claim with their own insurance carrier. For example, if it's a business they will have something called business interruption coverage which would pay them for this type of claim. They don't have to go through the process with us. Then their insurance carrier, who has paid out the claim, will go through a process with our insurance carrier. That's a little bit easier. It's the same for us. Either way, we end up having to do the same investigation and provide the same details. That claimant/customer would be getting paid more quickly through their insurance than through us. If it's not their fault, they shouldn't see any increases generally speaking. Although that may change based on their policy.

In terms of perceived process, the customers are asked to provide us with some basic info which is a written statement of the details of the claim, some photos if they are available and any quotes or invoices for any repairs or replacement of equipment of losses they had. Once we receive all of that we process the claim. Again, they can be submitted by phone, mail, email or by hand. Once we receive it we log it. Then it's put on to what we call a claim report which is the investigative report. That is sent out to the department for an investigation to determine the cause. Once the departments reviewed it, it's reviewed internally additionally by the Department Head, System Director, Director of Regulatory Affairs, and the Director of Utilities. Once everyone has signed off on the claim, some claims will be settled internally per our policy from 2018. If it's under $5,000 and there's no personal injury we can resolve those internally. For example, if one

of our guys with a truck backs into their car or fence and we're aware we were at fault for the incident. We'll settle that claim without sending it off to the insurance carrier, because we don't have a need to send it to them just to pay what's within our deductible which is generally $25,000. We'll settle those. We require a signed release and our analysis that we determined we're at fault.

If it's not resolved internally, the claim is sent to the Florida League of Cities. For the Board Members that may not be aware, that's the company that acts as our insurance carrier through the Florida Municipal Insurance Trust and then they make a review and final determination. Any claims with personal injuries have to be sent to them.

That's really the overview of our policy. I will add, that currently we only have four open claims which is a pretty good number. We have one or two litigation cases. Most of those look like they will get settled in the next few years and those will be bigger cases like a car accident.

I'm happy to answer any questions.

Chairman Matthews asked are there are any Board Members that have a question? I have two concerns. One, at our last meeting that we had here we had someone from a small business come and present a three minute conversation. Could that person have called any staff member or you and receive a better understanding rather than to have come to the Board?

Mr. Gang said yes that's correct. I would have been happy to answer his questions.

Chairman Matthews said my other concern, please turn the screen back on and roll the screen back a few slides. Can a person from the Florida League of Cities, can that person bypass us and go straight to Florida League of Cities?

Mr. Gang said they can, but it would essentially trigger the same claim process in reverse.

Chairman Matthews said I'm talking about any business person if they have a claim.

Mr. Gang said if they bypass us and went directly to the Florida League? The Florida League would either direct them back to us or they would give them a claim number and send us an email saying we've established this claim, here's the claim number, please investigate and give us the root cause. Then we would have to reach out to the customer and go through the same process.

Chairman Matthews said I just don't want UA being in the blind if someone has a claim and bypassed what we could at least have communicated to them.

Mr. Gang said invariably if someone contacted the League of Cities directly, they would contact us to give us a claim number and then we would be in the same process of us having to track

down the information with the claimant about what happened. We would be reaching out to them.

Chairman Matthews asked are any of the four claims you have left passed two years?

Mr. Gang replied no.

Chairman Matthews said okay. Thank you.

Mr. Tompeck said the next item is the April 2021 Financial Operating Results. Barbara Mika will make the presentation.

Ms. Mika said thank you Mr. Tompeck. Good afternoon again Chairman Matthews, Mayor Hudson and Board Members. I would like to present to you the Financial Operating Results for April 2021.

The financial highlights for the 7 months to date for 2021 are year-to-date operating revenues through April of $57 million brought increases of $1.5 million over the same period in 2020. The month of April brought an increase in unit sales, but declined in the unit's bill for residential and general services for electric, water and wastewater. This results in a drop in the year-to-date operating from March of about a $170,000. Our operating expenses increased for the first 7 months over last fiscal year by $1.3 million. That was primarily due to increases in the purchases for resale, depreciation expense, bad debt expense and utility expense. The combined effect of these increases in revenue and expense brought an overall increase in our year-to-date operating revenue of $157,000.

Capital contribution for the first 7 months of 2021 were greater than the prior year by $2 million dollars. That came in the form of water and wastewater capital improvement charges and some noncash contributions from developers. The distribution to the city was paid in April and after adjusting for the five months of expense for our April year-to-date the net increase in our net position was $2.1 million dollars.

Our electric operating revenues less the cost of power and in comparison to consumption. This is our three-year comparison fiscal year '20, the adjusted revenue and consumption was basically flat compared to 2019. In the current year to date, the consumption was up by 2% when compared to the same period last year with revenues higher in comparison by 1%.

The cost of purchase power in fiscal year '20 was $1.7 million savings over 2019 and this year the cost of comparison for electric purchases for resale in the current year-to-date is showing an increase of $190,000. We are still lower than we were in 2019, but we're creeping back up.

Water operating revenues and consumption. The fiscal year '20 water services billed and operating revenues were up nicely from 2019 with steady increases in both unit sales of 5% and revenues of 6% that equates to about $620,000.00 in 2019. In fiscal year '21 the year-to-date services billed and operating revenues continue to trend up with consumption higher by 4% and operating revenues up by 5%, which is about $500,000.00 over the previous year when compared to last year.

Our wastewater operating revenues and gallons we have billed. Taking a look at wastewater operating revenues, while gallons billed increase slightly in fiscal year '20 their revenues fell short of the year-over-year comparison due to capacity reductions from 2019. In the current year, the 7 months to date wastewater gallons billed increased nicely about 7% with operating revenues greater in this comparison by $414,000.00, which was a 5% increase over last year.

Our natural gas revenues less the cost of purchase gas, along with the consumption shows a small increase in the adjusted revenues of 2% and the similar increase in consumption of 3% from the prior year in 2019 and that was mostly in general service sales.

In the current fiscal year, 2021 revenues and consumption continue to rise over the prior year. The adjusted gas revenues and consumptions both increased by 5%. The cost of gas for the seven month period reporting, we experienced a 7% savings of cost purchased gas in 2020 compared to 2019 of about $260,000.00 and the cost of gas purchased for the first seven months of this year is inching back up with an increase of $244,000.00 or about 12% in comparison to last year.

Our operating income and debt service coverage is the ratio of a 12 month average of net available income to our current debt service for the 12 months ending April 2021 our debt service coverage ratio was 3.23. For the 12 months ended September 2020 we were at 3.16. We're within the bond covenants that require a minimum ratio coverage of 1.25.

This item was for your information only. I will be happy to answer any questions.

Chairman Matthews asked any Board Member have a question?

Mrs. Gibbons said I have a question. I was reviewing the electric statistics and it looked like you may have mentioned, maybe I wasn't realizing the correlation, last year for current month was 46,000 and then this year we're only at 41,900. I was curious. It seems like a big jump. I'm sure there's some weird anomaly in there maybe it's the pay out to the City.

Ms. Mika said just consumption was down.

Mrs. Gibbons said interesting.

Ms. Mika said it has nothing to do with the payment to the City.

Mrs. Gibbons said okay. I wasn't sure. Last year with Covid so maybe more people were home. I'm curious, what did 2019 look like? Maybe if that would be a better number.

Ms. Mika said I could get you that information. For the current month, I could get that.

Mrs. Gibbons said appreciate it. Thank you.

Mr. Tompeck said the next item is Bill Comparisons for the month of April 2021 and Michele Harris will make the presentation. Michele was just recently promoted to Controller. I wanted to congratulate her on that.

The Board said congratulations Michele!

Ms. Harris said thank you Mr. Tompeck, Chairman Matthews, Mayor Hudson and Board Members. I'm presenting to you today the monthly update of the comparisons of the Florida Municipal electric rates published by FMEA and the local Treasure Coast utility bills for April.

This first graph shows the comparison of residential electric bills for 1,000 kilowatt hours of consumption for the 13 municipal utilities that are members of the All Requirements Project. They are displayed and ranked based upon their base bill amount. Our April rates are at $108.84 and they are shown with the yellow bar and we are 5th lowest in this group.

This graph displays the same comparison for that same level of consumption, but includes all the municipal in the state of Florida. Our April bill at $108.84 ranks us 13th lowest when compared to the other 31 municipals.

The blue bar represents our rates with the June approved adjustment to the PCA. In April, while we maintained our rates for another month, 15 of the other 31 municipal utilities implemented rate changes. This had a very minimal overall impact and to the ARP average which was just an increase of $.04 and a decrease of $.31 to the municipal average. As you can see FPUA's rates for 1,000 kilowatt hours fall below all three averages, the ARP, municipal average and the IOU average.

This graph is also a similar comparison, but for consumption of 2,500 kilowatt hours. Our April bill at $274.80 keep us in the middle of this group like we were last month. Our rates also for 2,500 kilowatt hours we're still below all three averages here as well.

This table is the April comparison of the average residential utility bills on the Treasure Coast. Our utility bill for all three services provided inside city limits is shown in the first column in blue. All other bills in this table have electric services by FP&L and water and waste services by the localities provider. The comparison reflects the bills for the average consumption of electric,

water and wastewater services. There's been no rate changes to the April bill since the March comparison was presented. However, next month we are expecting a slight increase in the FP&L bill because they had rate increases for May approved by the PSC.

This item is presented for information only, but I would be glad to answer any questions you may have.

Chairman Matthews asked any Board Member? Michele, I have one before you go. Can you please back up one slide? You have Vero Beach still in under electric or.....

Ms. Harris said that is their Vero Beach inside the City. That's by FP&L.

Chairman Matthews said okay. I thought Florida Power took over their operation.

Ms. Harris said they did and that's their rates.

Chairman Matthews said okay, all right. Thank you.

Mr. Tompeck said the next item on the agenda is the discussion of Public, Private, Partnerships commonly known as P3. Bo Hutchinson will make the presentation, but before he does I'd like to give you a little background.

At the last Board Meeting in May, you were handed a package which contained an unsolicited proposal from Aqualia for a P3 for relocating the WRF off the island. The City Commission also requested a joint meeting which is scheduled for next Tuesday, June 22nd at the Sunrise Center, third floor, building department training room to discuss the proposal.

Subsequent to the request for the meeting, I sent you a detailed memo on May 28th which was staff's recommendations on the City Commission request and let me quickly summarize those recommendations for you:

- First recommendation was to go ahead and discuss the P3 concept at our next Board Meeting, which is the presentation you're about to hear.
- Second recommendation was to proceed with the meeting with the City Commission to solicit their thoughts on proceeding with the P3 as a parallel path to our established plan. Limit that meeting to the P3 concept and not a detailed review or presentation of the Aqualia proposal.
- Third recommendation was to engage with our partners at the County to determine their interest in working with us should we proceed to go down the parallel path of the P3.

At the conclusion of the presentation I will be asking for your direction on the following:

1. Do you wish staff to pursue a P3 as a parallel path to our established plan?
2. If so, which parameters and elements of the P3 are important to you so we can include them as conditions and RFP.
3. Do you wish to hear the Aqualia proposal at next week's meeting or limit the discussion to the general subject of P3's?
4. If you do not wish to pursue the P3 concept, do you wish to cancel the meeting next week with the City Commission?

For the reason stated in my memo of May 28th, it is at your sole discretion, the FPUA Board, as to how you wish staff to proceed. With that background, I'll go ahead and turn it over to Bo.

Mr. Hutchinson said thank you Mr. Tompeck. Good afternoon Mr. Chairman, Members of the Board.

Today I'm going to give a very high level overview of what a P3 is. We have a couple of examples in there and one is Aqualia. We have another example that's a little bit different than Aqualia, but is another P3. We will talk about some of the regulatory requirements, advertising requirements things of that nature. Then we have a few bullet points that the staff put together that can assist us going forward if we decide to move forward the P3 concept.

First off what is a P3? The National Counsel for Public, Private Partnerships (NCPPP) agency, I had no idea existed a few weeks ago, defines a public, private partnership as a contractual agreement between a public agency, federal, state or local, and a private sector entity. Through this agreement, the skills and assets of each sector, public and private, are shared in delivering a service or facility for the use of the general public in addition to sharing of the resources. Each party shares in the risk and reward potential and the delivery of the service or facility.

P3's are very common throughout our country, actually throughout the world and are very common here as well. Here's a few examples of that. Highways, like your toll roads, a lot of airports are built with P3's, prisons have been privatized and stadiums. Of course, water and wastewater facilities.

Pretty much all of these have a few things in common. For one they are very large projects. They are very expensive and they are very complicated in nature. I think that's really what kind of drives the private industry to be interested in these.

This graphic shows the spectrum from totally public interest all the way over to totally private interest. If we start at the left that's government, that's us owning it, designing it, and doing everything ourselves. Take one step up the stars and you see design/build. This is a very successful methodology that we've used over the years to accomplish lots of projects. As we keep moving further to the right, we add more and more private involvement. In the middle you have

design, build, and finance. They've added the finance element in there, operation and maintenance. At that particular point, the government entity still owns whatever the facility is. You take one more step to the right, this seems to be a very common model for P3's. This is where they would design, build, finance, operate and maintain and then they would own the asset for a period of years afterwards. Then they would turn it back over to the municipality.

So there are some advantages to P3's in general:

1. Accelerated time of construction. I don't think anyone would argue with me when I say that the private sector can build things faster than we can. It's a simple fact. They have the ability to reduce management and overhead which saves time. P3's typically bring their own consultants, engineers, accountants, lobbyists, attorneys and contractors. That contributes to the time. You can potentially delegate more of the risk to the private sector and something that's been a common theme from some of the companies that we've spoke with is the ability to leverage the value of the land that our wastewater plant sits on to potentially offset some of the construction and or debt service cost. This would be done perhaps by the direct cash from the sale of the property if the City chooses to sell the property, or some kind of a tax commitment somewhere down the road when the property starts generating taxes.

2. There are some pitfalls as well and fairly obvious, conflict of priorities. When a principal hires an agent to act in the principal's best interest, but the agent has a conflicting agenda. Information asymmetry, when the agent is better informed than the principal can potentially cause some conflict there with finger pointing. Moral hazards, when either party takes excessive risks because the other party bears the burden and separation of ownership and decision making rights that will typically cause conflict as well.

As you go through these. You end up with a very detailed contract that can certainly help mitigate for a lot of this. You have two different entities with different goals so there's always going to be a little bit of give and take there. It's the nature of the beast.

Unsolicited proposals - the Board is very familiar with Aqualia. Mr. Tompeck, Mr. Gang and I have been talking with another outfit as well. We're calling them Atlantic. Developers at this point. There's some similarities between the two. There's also some things that are very different. I just put these up as a couple of examples to present to the Board that there's different ways of skinning this particular cat.

Aqualia for example, their main profit source is from the operation and maintenance of the plant going forward. Whereas, Atlantic would profit more from the redevelopment of the property. They're really not interested in owning and operating a wastewater plant. They can help us get there, but as a means to an end. That's pretty much a fundamental difference.

Both agencies can bring financing to bear. There's money to be made from financing as we all know. They can both help us construct it as well. Aqualia is proposing a new technology that very well might be the next greatest thing since sliced bread. We don't know. It hasn't been accepted in the country yet. There's a potential with the DEP that they would or would not. I don't know. I can't specifically speak to that. Atlantic is more state of an industry standard technology or the start of the art of how the plants are typically being built in this country right now.

On the Aqualia side, they would propose to own the plant for 30 years and operate it with their private employees and Atlantic would immediately turn the plant over to us to own and operate as soon as it's completed. Aqualia proposes to leverage our cash reserves and then use some tax income to help offset the debt. Atlantic partners propose to contribute some of the money from the sale of the property to help offset the cost of the plant and also just like Aqualia, is looking for some kind of tax implications there to help as well. I have advertised on both of these. I will just bring up if we go down the path of accepting Aqualia's proposal as an unsolicited proposal, there's statutes that require us to advertise that. Nothing we do here is in a bubble. Everything is in the public realm. So we advertise that we're going to look at this unsolicited proposal and that, by default, becomes the model for what we're looking for and many agencies are a lot of P3 companies throughout the country and also as we see internationally we could very well get a lot of that style.

On the other side of the fence, if we were going to look at something like Atlantic, Atlantic does not want to submit an unsolicited proposal. They are just asking that we put this out for an RFP in order to consider the P3 concept in general and in that case there's advertising statutes as well. Which makes perfect sense. We would want to get the word out as much as we can to find something that fits exactly what we want and exactly something that would fit with our particular situation.

A little bit of background on where we are now. Plan A, as we've been talking about here for quite a while, is a partnership with St. Lucie County. Currently, we're on our second iteration of an interlocal agreement to outline the potential governance of this new plant. That's with the County now we're expecting comments back on that in the next week or so. Perhaps a meeting shortly after that. Plan B, is to proceed independently. That's just FPUA doing it without St. Lucie County involvement. I want to make it clear we will all keep the door open for a partnership with St. Lucie County. Our consultants and both FPUA staff and St. Lucie County staff all agree that at the size of our combined service territory, St. Lucie County and FPUA's that's the most efficient way to provide this service to all of our customers is by partnering together and creating a single plant. We will always try to keep that door open.

To the end of proceeding independently, we have reached out to Raftelis with their engineering consultant Hazen to do a very similar evaluation to what they did for Plan A, but for Plan B to look at it if we go on our own. We've also discussed with a consultant to update the end WRF

design to at least get to about a 60% level. There's a few important parts. One is if we get to that level of detail the 60% plans and we have the new financial analysis done as well, that gives us enough to go start looking for grant money from both the state and federal level. In addition to that, if we have an updated MWRF design we're all pretty convinced that the cost of the plant that Hazen was directed to look at will be significantly less. There's a large contingency in Hazen's number which there should have been, stay very high level. That could potentially bring the costs down too.

The landscape will look completely different if we are successful getting some kind of a grant, either $25 million or a $50 million grant. I can tell you that will get the project moving in a hurry. We need to get to this next level of information.

Plan C, is the public private partnership. Again, we will always keep that door open for a partnership with St. Lucie County. If we decide, if the Board directs us, to go forward looking at a P3, we will need to look at the P3 structure that makes the most sense for the FPUA rate payers and for the City of Ft. Pierce. This would require us to bring a resolution to the Board that will basically give us an outline of the all the rules if you want to call them that for the submittal of the P3's. Then we would draft a request for proposal to put out on the street. It's based on exactly what we would like to see and then there's many other procurement requirements that we also have to meet. We have state procurement requirements, State Statute 255 authorizes the municipalities enter into the P3 projects. That was approved back in 2013. The state statute includes how P3 projects are procured, qualified, approved and financed. They require a comprehensive agreement. There are multiple bullet points very specifically in there that need to be in that agreement and every one of them makes sense. It also outlines the definition of a responsible public entity. By charter FPUA would be that responsible public entity that would be authorized to enter into a P3 contract.

We have other FPUA procurement requirements that we must follow as well. It requires a comprehensive solicitation, an RFP again. That's a requirement that's given to us in the Charter and it would contain design specifications and scope for the project. It must be publically announced and it also needs to be advertised in the Florida Administrative Register for a certain period of time.

Getting on the technical side, the engineering, design and construction is covered under Article 287 of CCNA where the professional service and the professional engineer who's going to be the EOR of the project must be prequalified. Also, Article 255 requires that the proposal is also evaluated by a professional engineer and that the professional engineer is managing this through the course of the entire project. Which makes sense. Even if this is a P3 or a design build, whatever it is, we will want to have boots on the ground the entire time the project is being built.

These are just a few bullet points that staff has put together just to give you an idea what we're looking at. We will look to you for direction on this. We'd like to look for some kind of an element

that includes the reutilization of the property that would help offset the cost and the debt itself. We would want to take advantage of delegating the risk as much as possible over to the private sector. Also take advantage of a potential accelerated time line that the private sector may be able to offer.

The financing for the project would need to be very similar to what we're able to do ourselves. We are a very strong financial institution. We are able to borrow at a very low rate so we certainly wouldn't want to pay much more for the money unless there is a great benefit on the back side of that. FPUA would, of course, oversee the construction. That would be a combination of staff and specific consultants. FPUA would own and operate the new facility and when we start going through this starting with the RFP to the evaluations to basically everything here it's very wise to get a consultant, a specific consultant to help us with this P3 process. We can all learn, but we need someone with experience. That would be a recommendation and get counsel on Board that's very familiar with that.

In conclusion, P3's are not a one size fits all. We need to be very specific about what we want. P3's in themselves don't generate any resources. They are simply a project delivery tool. They can't potentially allow us to shift risks, accelerate projects and on occasion they can bring efficiencies and new innovation to the table. They can help us access different types of capital. I don't know if that's necessarily the best for us, but it may be as I don't know what's out there. We have to keep in mind that the P3 needs to fit what we need it to be. It needs to fit what's best for FPUA and for the City.

Mr. Tompeck, is there anything I missed?

Mr. Tompeck said I don't believe so. So we'd like to throw it open to discussion and see what your direction might be.

Ms. Cavalcanti said I have a couple of questions. On the Aqualia verses Atlantic comparison. On Aqualia where it says leverage cash reserve. Are they leveraging our cash reserves?

Mr. Hutchinson said that's how I read it, but it was not very specific.

Ms. Cavalcanti said okay. Then the next thing is they own it for 30 years? So they would be the ones collecting the money on the wastewater side or may run it through us, but they would get the net income. Is that correct?

Mr. Hutchinson said the way that would work is that it would be an out sourced product. FPUA would still collect the money, still do the bills and such. Then there would be a rate that we would pay probably per 1,000 gallons or per million gallons to Aqualia to treat the waste. To deal with it on the backside. It would be a split. There would still be a portion of the rate that would handle the collections and the overhead and all of the other things that go into running the wastewater service. The plant cost itself would go directly to the P3.

Ms. Cavalcanti said okay, so then I go back to what Barbara Mika presented to us and for last year ending in April our wastewater plant made for us $1.7 million. We would essentially lose that? Or most of that?

Mr. Hutchinson said potentially that's a real tough one to answer without getting into the nuts and bolts of how Aqualia was planning on structuring it. There's no information that I saw in that proposal that got to that level of detail. I think that would be kind of the next phase where you start to delve into it.

Ms. Cavalcanti said and you did read though that they would leverage our cash reserves.

Mr. Hutchinson said yes. I don't know if that specifically means they would ask us to put cash directly into the project or if they would want to use that as some sort of security. Or if they meant just using the financial security of FPUA in general. At that stage, the way I read that, they weren't getting into that level of detail.

Ms. Cavalcanti said and they probably weren't. To me those two items are of great concern to me. Because first of all, you know we could have a disaster with our bond covenant violations, possibly. I look at the $1.7 million that we made last year on our wastewater plant. Granted building a new one will cost us money, but ultimately that money is profit for FPUA, which is profit to the City and to the residents.

Mr. Hutchinson said very good point ma'am.

Mrs. Gibbons said I have one more thing to add to that. Also, private employees, I think that's probably my biggest concern. If we are going to do this, I feel like it needs to be ran by our people. In a perfect world it's something similar in my mind to Treasure Coast Energy Center. They build built it, we run it. I don't know all the details behind that. For me that's important. It's important to keep the people we have. We have them well trained and make sure that they are also able to continue.

Mr. Hutchinson said duly noted. Also, just to add to that there's a difference between hourly employees that work for a private company verses someone who is committed to Fort Pierce. Our pension program is second to none, our benefits are second to none. I promised Mr. Tompeck I wouldn't tell this story, but the example that I always come back to is when hurricane Dorian, the one that tore the Bahamas up, and the Cat 5 that's coming here and we're all going to die and it's horrible, we have to find people to manage Lift Station A of all places. It floods, it's not a great place to ride out a hurricane. You put it out to volunteers and you may get some. Sometimes you have one and sometimes you don't. At the end of the day, you have to say you're on duty. You're staying there. They are like oh, I'm leaving town with my wife and kids....no, you're not. You need to stay. Whereas a private employee might be....drop the mic I'm out. That's a real experience. That's a quality of service we gain for. In my opinion, we wouldn't be able to get with a private entity.

Mrs. Gibbons said I agree. I think we would lose some control over that as well. We could be preaching as long as we want. Someone needs to stand over there and do this. Ultimately, they don't work for us.

Mayor Hudson said I have the benefit from having had the presentation from Aqualia from their representatives. I was anxious to find out about the employee piece. I didn't want to ask that very first thing. I didn't want them to think that's the thing I was most concerned about. But it was on the top of my mind about if our employees aren't running it. When a government out sources something you start to say to yourself are they going to treat the citizens the way we would treat them? That's a number one worry that I would have. I can only say to you that they are very interested in hiring our employees. Now I know that's been said before by this kind of thing. I brought up the benefits. I said we have very generous benefits at FPUA and the City of Ft. Pierce and they said oh, no, no, no. I said you need to look into that because I haven't heard of a private company yet that matches it myself. That's one thing that I think would benefit this Board to hear. I don't look at it as Aqualia making a presentation to us and then we make a decision that day. I look at it as Aqualia making a presentation and some of the things that Ms. Cavalcanti asked, everybody gets to ask their questions. In the process you're gathering information. You're not making a commitment. You're not going to offer Aqualia a ring that day to get married. It's getting information and understanding the P3.

Your presentation is excellent, but it's still.....this is a very complicated thing that we need to learn about. I think discussing the P3 at the meeting is a good idea and what it means. I'm not sure these comparisons are exactly accurate. I've had the presentations from them and so I think it would be very educational for this Board to understand because this is a very complicated thing and we won't understand if we have another presentation about what is a P3 and how does it work. As you said yourself it's very complex. Some of these things I think Aqualia would shed more light and it wouldn't be quite this way. That's the initial here's what I bring to the table. You know in your experience people can say here's what we propose. Can we negotiate and six months later the devil is in the details. We would have to be totally comfortable with they don't own it for 30 years. They turn over the keys to us after 30 years. It's always ours, I believe. That's something we can ask them, you see what I'm saying. It's almost like an education for that day. It doesn't prevent us from doing all the other things that you say which is put out the RFP. They could respond to it. Atlantic, whoever they are, I know I'm getting a call from another guy in Jupiter who really wants to have a crack at this. I'm sure that there are other operations out there that would be interested. I just think we would be cutting off our own education if we didn't allow them to present. I learned a lot that day myself.

Ms. Cavalcanti said shouldn't all of them, like an audit put out and RFP and then all of them apply? Should Aqualia go first or should we.....

Mayor Hudson said Aqualia can still apply. It's an education. They are just willing to make the presentation, but you are not expected, at least I don't intend to, make a decision that day. This is information gathering as far as I'm concerned. I asked our legal counsel are we doing something that will cut off Aqualia if we have this presentation? Apparently, there is no problem with them....if they're willing to make the presentation and talk about what they are willing to do and then if they know we have to go out for RFP. That's in the statute, right? I think its information gathering myself.

Mr. Hutchinson said the way I understand it as long as we don't "accept the unsolicited proposal" we will not disqualify Aqualia. I have to applaud them. I've been talking to these people for 3 years now and we're finally having this conversation. You go all the way back to 2018 and 2019 strategic planning sessions and P3's were in there to explore. Now Aqualia, in this particular format, may or may not fit exactly what we want, but I wouldn't want to do anything to exclude them from being able to apply.

Mayor Hudson said or to exclude anybody. We don't know what's out there.

Chairman Matthews said between these two companies here, where is the success in other parts of the state?

Mr. Hutchinson said I don't really have too many good examples as of yet.

Mayor Hudson said may I jump in here. Aqualia is in several communities in Florida, but not in this particular business, it's something else and you're right they are in other countries. Many other countries and this would be I think their first, but that's something that we should check because I might already have something going in someplace else.

Mr. Hutchinson said that's how I understand it from their proposal. All of the example projects they had listed were in other countries.

Mayor Hudson said they have projects in south Florida and throughout the United States, but they are not in this particular business.

Chairman Matthews said my next question is have we had the legal department whether it's the City or UA to look at this unsolicited proposal?

Mr. Hutchinson said only on the level of looking at it again how far are we able to go? At this point, and then we look at the statutes for what do we have to do if we cross that line as far as the advertising and things of that nature.

Chairman Matthews said next question is who would be invited to the meeting other than the two boards?

Mr. Hutchinson said it's a public meeting I imagine. Aqualia would be invited. We could certainly invite anyone that the Board directs us to invite.

Mayor Hudson said the mysterious Atlantic may show up. We wouldn't know who it is.

Mr. Hutchinson said maybe you already know who it is.

Chairman Matthews said once you had the unsolicited proposal, then you decide to give us some information by bringing another one in.

Mr. Hutchinson said that's the idea. Over the years, I've been approached many times with P3's and the main thing I've told them is I don't want to do anything to disqualify you. I want to make sure this happens so when the RFP goes out for this, I want you to be able to bid on it. I've said that to several of them. We have the other one Atlantic that we've talked to here and it really popped in my head that we should really present this not as if it's sliced white bread either, but it's a completely polar other way to look at it. It might be a blend of the two. We might go through and decide these are the important things to us. Then we get our expert involved and get all the little bullet points in there. We do all the things to do that's right and then go forward with it and see what happens. Aqualia might come around in the opposite direction. I asked them well over two years ago, is there anything we can do with the property itself to help with the cost of the plant? At that particular time it was not what they did. That's not what they propose here, but then again we didn't give them any guidelines. We just said we want a car, this guy bought us a military truck, this guy bought us a Prius, we didn't tell him what we wanted so how are we going to get what we want?

Chairman Matthews said I know the Mayor just made a comment, do we have a company in Florida that we would like to look at some of their particular proposals? To see what they've done already and is successful.

Mr. Hutchinson said we will absolutely search them out.

Chairman Matthews said I was told Pensacola, FL is one.

Mr. Hutchinson said we can look into that.

Chairman Matthews said I heard they put in in excess of more than $350 million.

Mr. Hutchinson said I'm sure there are examples exactly of this that we can find. In my mind, the logical path here is let's figure out at least an outline of what we want and that will give us models to go look for. We can look for Pensacola, is Pensacola something similar to what we would like to do? Are they in the same financial situation we are? Are they sitting on a very valuable piece of land that can be reutilized and create a bunch of tax dollars and a bunch of jobs? I mean hundreds of jobs are sitting there waiting to be released right now based on this. If we can find an apples-to-apples comparison, we can probably find a really good model of a contract to go with if we do that. We also have to keep in mind, here is that we're talking specifically about P3's here today, but we need to look at what we can still do on our own. That's why Mr. Tompeck was calling this a parallel path. Then if we get to the point we're like, hey we can do exactly what they

can anyway and we can do it without having to pay additional money for financing and a little piece here and a little piece there. Maybe it's a turnkey solution because they're going to come right in and develop the property and that's going to create that money sooner. We will need to be able to look at those apples-to-apples.

Chairman Matthews said next question. Mr. Tompeck, did you give the Board four recommendations or five.

Mr. Tompeck said I have to go back and look. I think the recommendation I was looking for it sounds like the Board is interested pursuing a P3 as a parallel path. Doesn't seem to be any question about that. We talked a little bit about the parameters here and Bo's included some of those in the presentation. It would be interesting to see if the City is interested in some contributions here because our original path forward here with the County did not include the City being a contributor to the project.

The second one was do you want to hear the Aqualia proposal next Tuesday or do you want to simply discuss parameters of a P3.

The other one had to do with if you weren't interested in P3 do we want to cancel the meeting. Obviously, you're interested so we won't be doing that.

Chairman Matthews said I suggest strongly that we go ahead with the meeting. It won't hurt us to learn. Secondly, I think that we need to take one of your recommendations as a P3 to try to see what you can find out and report back to the Board or back to both agencies.

Mr. Tompeck said I think a lot of what Bo has included in his presentation has to do with seeing what we are looking for. We can review the Aqualia proposal and we can also get other proposals, but we're going to get 10, 15, 20 proposals and none of them will exactly address what we are looking for because we haven't identified the elements that we want. That's what I think is of critical importance at this point. Let's identify the elements that we want. Do we want to own the plant? Are we willing to offset the debt with taxes or the property? Do we want to operate the plant? That's a critical portion when we meet with the City because the last time we did talk about moving forward with WRF relocation, we talked about how we in the County were going to handle it in terms of the cost and the City wasn't required to contribute at all in that original plan. We haven't seen any of these unsolicited proposals that indicate that they all want a contribution in terms of taxes or land or something from the City. That really needs to be a parameter that the City Commission has to agree to. Say yeah, we're willing to be part of this and to contribute the land, taxes or whatever. That's an element that would be included in the RFP.

Ms. Cavalcanti asked if we try to go it alone or with the County, I would assume our ability to get grants would be greater correct or not?

Mr. Hutchinson said I can't answer that specifically. Just because it's a P3 it will not preclude us from getting grants. I do know that governmental entities working together there's definitely a check in the box that definitely helps. I can't say specifically if a P3 verses us going alone will make a difference.

Ms. Cavalcanti said right. I think we should explore them all. John, maybe y'all come up with parameters that you would like to see and bring them back to the Board. What do you think about that?

Mr. Tompeck said I think we can do that and discuss that at the joint meeting next Tuesday. We have a pretty good idea the things that we're interested in for sure.

Mayor Hudson said you know the City should be an integral part of this. I don't know why because the City -- we're married, I don't know if you knew that or not FPUA and the City of Ft. Pierce. Even though we have separate operations the City exists and FPUA exists because of the City, right. This is as important to the City as it is to FPUA and actually we should be a part of this decision making even though I understand that it's -- I understand how the law works and how the separate entities work. We went through this before for the cleanup of the King plant. We had three separate entities, FPRA, City of Ft. Pierce and FPUA, but we were all in the same family and so the City definitely wants to be a part of this. That's the reason why we initiated the joint meeting. Because you know it's been the FPUA and the County so far and our Commissioners are very interested in this and interested in what happens and how it will help the City and how it will affect the City.

I was clear to the people at Aqualia, not that I'm promoting that our people are very good and I would want them -- because they are committed to our City and to our citizens. I wouldn't want any kind of operation that wasn't. I think the City would feel the same way. I think a joint meeting is absolutely essential at this point and I think that you know I'm not married to Aqualia, it's the only one I've heard. I think it's a good education for me and it will be a good education for all of us.

Ms. Cavalcanti said I think we should take, when we get this thing moved, I think Commissioner Curtis Johnson made the point that he would like to see a certain area designated for short-term rentals and this property and the DePiester property should all become a short term rental haven and we will make a lot of money on that deal. I think that's very good idea on his part.

I say move forward.

Mrs. Gibbons said a couple of times we've had issues with companies that we're looking to develop areas and us not being allowed to ask questions of them specifically after their presentation. We may need some parameters if that is something that comes up. Almost as if we were leading them to what we wanted from them so they could have a better opportunity to put in for the bid. This happened to us on the CRA Advisory Board about 2.5 years ago.

Mayor Hudson said that was an RFP process I bet.

Mrs. Gibbons said they came and did a presentation.

Mayor Hudson said I remember that.

Mrs. Gibbons said this -- this is totally different.

Mayor Hudson said you can ask them anything. Where their accent is from, whatever you want.

Chairman Matthews said we don't want to lose sight, as the staff has gone way out of their way of giving us some serious recommendations and at this time I want to take them all, take half or take none. I think it's wise for us to pay attention to that.

Mr. Tompeck said I think the only remaining question I have is if the Board wants to hear the Aqualia proposal at the joint meeting. You tell me what you want and the rest of it I think we are all set.

Mayor Hudson said I'm good with that.

Chairman Matthews said that's the consensus, yes sir.

Mr. Tompeck said thank you.

Mr. Hutchinson said also if I can add again this is just a quick list that staff put together. If there's anything else that comes up that the Board can think of or anything specific here if we can route that through Mr. Tompeck and we can get that on our list. There's many, many little bullet points below all of these and I think at this point if we can get the big list put together we'll be.....

Chairman Matthews said I changed my mind, I want to hear from our legal department. We want to make sure we have some guarantee for those who are on staff with us.

Ms. Cavalcanti said that would be way down the line.

Mr. Tompeck said so we want to look at perhaps the Aqualia proposal discussion first and then afterwards have both the Board and the City Commission talk about what elements they want to see in a P3.

Mayor Hudson said that's a good idea. We need the education, I think we all do.

Chairman Matthews said I hope you will be at the meeting.

Mr. Hutchinson said is it optional?

Mrs. Gibbons said you have to work the lift station remember.....

Mayor Hudson said you've been talking for two years. Maybe you don't need to come.

Chairman Matthews said I don't want to take a personal leave day. Mr. Tompeck are we moving forward the agenda. Mr. Tompeck do you have anything else to tell us?

Mr. Tompeck said just one other quick comment. We're going to cancel the July 20th Board meeting. Several of the staff will be attending the FMPA Annual Meeting in Naples from July 20-23. This meeting wasn't held last year because of covid-19 and if any Board Members wish to attend let me know and we'll set you up.

Chairman Matthews said okay, thank you. Madam attorney, do you have anything for us today?

Ms. Shevlin said no, thank you.

Chairman Matthews said Board Members? Well without any more delays we will adjourn this meeting.

There being no further business, the meeting was adjourned at 5:32pm.

ATTEST:

SECRETARY

CHAIRMAN