MINUTES OF A REGULAR MEETING OF THE FORT PIERCE UTILITIES AUTHORITY, TUESDAY, AUGUST 3, 2021, 4:00 P.M., CITY COMMISSION CHAMBERS.

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

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

The meeting was called to order by Chairman Frank Fee.

Opening Prayer was by Alice Delannoy of Treasure Coast Energy Center

The Pledge of Allegiance was recited.

The roll was called and a quorum declared.

A motion was made by Mayor Hudson, seconded by Mrs. Gibbons to excuse the absence of Board Member Ms. Cavalcanti.

A motion was made by Mayor Hudson, seconded by Mrs. Gibbons, 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 July 6, 2021.

Chairman Fee 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 prior to speaking.

My name is Ms. Barbara Bennett said I live at 2016 Juanita Avenue, Fort Pierce, FL.

Good afternoon Mayor Hudson and to each and every one that is sitting on the panel this afternoon. I'm here with concern regarding the payments of our electric bills. The bills are extremely high in the northwest side of town and I am very concerned and want to know what is it that our -- your Fort Pierce Utilities Board is going to do about that. We have been dealing with this issue for quite some time. I've been living there since 1992. I have been told on several occasions that they will look into this matter and see what they can do. The bills that Fort Pierce

Utility Authority are charging the northwest side of town which is one particular place of Sheraton Plaza and Paradise Park.

I mean the bills are so astronomical that you won't even believe it. I pay a $400 - $500 light bill a month. I'm not doing anything different. It's only two people living in my home my husband and myself. We are gone 12 hours in the day. I'm a school teacher and he works on the road and there's no excuse for it. They have not given us an explanation and I would like to know what can and will be done about that.

I'm not the only one, but I'm one of many that has brought this issue up to Fort Pierce Utilities Authority. They charge us a different deposit when we're actually going down to turn the electric on. We pay a different deposit fee than anyone else and I feel that a deposit is a deposit. We should not be paying different deposits from anyone else and I would like to know what is it that the Board can do for Sheraton Plaza because I have property in Sheraton Plaza also and for Paradise Park which is where I live.

Chairman Fee said thank you. Have we exceeded the time?

Ms. Sabota said eight seconds is left.

Ms. Bennett said and Ms. Mayor, I would like to know what is it that you can do for us over in the northwest side of town for our electric bills. Thank you.

<u>A motion was made by Mrs. Gibbons, seconded by Mayor Hudson, and unanimously carried to approve the Consent Agenda.</u>

1. POA 20-16A: Approve the contract for ESC HVAC System Inspections, Maintenance, Parts and Repairs with Thermal Concepts, Inc. of Davie Florida in an amount not to exceed $49,500 annually, which includes $13,326 for monthly inspections and $36,174 for maintenance parts and repairs. The initial term of this Contract will be September 1, 2021 through August 31, 2022, with four one-year renewal options, contingent on receiving the required Certificate(s) of Insurance.
2. POA No.20-27: Approve Specific Authorization No. SA FUJ-93-21-02, for the Downtown Smart City Kiosk Site Survey and Installation, with Fujitsu Network Communications, Inc., of Richardson, Texas, in an amount not to exceed $79,080. The initial term of this Contract will be upon written notice to proceed and end upon final completion and written acceptance by FPUA, contingent on receiving the required Certificate(s) of Insurance.
3. Approve a Gas Service Contract with Citrus Extracts, LLC of Fort Pierce, Florida. The initial term of this contract shall be for one year commencing July 9, 2021 and shall automatically renew unless terminated in accordance with the terms of the Contract.

4. Approve the Lawnwood & Savannah Road Substation Battery System Replacements Contract, for the Substation Battery Replacements at the Lawnwood and Savannah Rd. Substations with Alpine Power Systems, Inc., of Longwood, Florida, in an amount not to exceed $51,444.40. The initial term of this Contract will begin upon written notice to proceed and end on final completion and acceptance by FPUA, contingent on receiving the required Certificate(s) of Insurance.
5. Bid 21-09: Approve the Award of Bid and Contract for the Pole Asset Inventory Survey with Davey Resource Group, Inc., of Kent, Ohio, in an amount not to exceed $196,161.42. The term of the contract shall commence on written Notice to Proceed and end on upon final completion of the work and acceptance by FPUA, contingent on receiving the required Certificate(s) of Insurance.
6. RFP 21-31: Accept Proposals from and approve Contracts for Dedicated Internet Access for Resale with 1) Intermetro Fiber, LLC dba South Reach Networks of Miami, Florida, in an amount not to exceed $146,224. 2) Crown Castle Fiber LLC of Houston, Texas, in an amount not to exceed $129,000; and authorize the Director of Utilities to sign the Crown Castle IP Request Form as required for the services. The initial term of the contract(s) is for five years following commencement of the services, contingent on receiving the required Certificate(s) of Insurance.
7. Bid No. 16-33: Approve Amendment No.1 to the Asphalt Repairs Contract with C.W. Roberts Contracting, Incorporated, of Panama City, Florida, to allow two additional one-year renewal options under the contract.
8. POA No. 18-57: Approve Amendment No. 2 to the Emulsified Cationic Polymer Contract with Polydyne Inc., of Riceboro, Georgia, to increase the not to exceed contract amount by $15,000, from $75,000 to $90,000 annually.

Chairman Fee said now we will move onto New Business.

Mr. Tompeck said thank you Mr. Chairman. The first item this afternoon is an information update on FEMA reimbursements and Laurie Pepple will make the presentation.

Ms. Pepple said thank you Mr. Tompeck, Mr. Chairman and members of the Board. We are here today for an FPUA storm expense FEMA claim review. As you can see, the FEMA claim process is quite complex. This is a graph that was taken from the internet where FEMA has summarized the events that go from the disaster event through the payment process and the disaster closeout.

As the disaster event happens there's a public disaster assessment. Per the Governor's request there is a declaration made and FEMA initiates their programs. We hold applicant briefing meetings and then there is an RPA (Request for Public Assistance). We have a kickoff meeting and project formulations happen. Then there is a project review which is FEMA's interpretation of an audit. Payments go into obligation and payments are actually made to the grantee, which

is the State of Florida in our case. We are the sub-grantee, projects are closed out and then the disaster is closed out.

FEMA has categorized for the storm perspective on our claims four categories that are applicable for us.

Category A is debris removal
Category B is the emergency protective measures
Category E is buildings and equipment
Category F is utilities restoration

FPUA enters initial storm preparation phases and tracks all related expenses before, during, and after the storm. Employees working these storms phases are required to check their time, activity and equipment usage on an activity log called an ICS-214. We must track all materials used during every phase of the storm. Then the briefing meeting occurs and we submit a request for public assistance after the disaster has been declared. We submit our claim and FEMA creates the project formation. They have two types of claims/projects. One is a large claim which is greater than $131,000 or the small claim which is anything greater than $3,300 or less than the $131,000.

FEMA will begin an extensive review in audit up to 100% of the detail. They leave no rock left unturned. They will request at least 15 categories of expense documentations anything from contracts, purchase orders, request for bids, quotes, anything to do with payroll, storm policies, pay policies, pay rates. Mutual aid which is neighbors helping each other in time of crisis goes through a very similar review as do the expenses directly incurred by FPUA. We will need pay policies, receipts, activity logs, time cards, etc. and these requirements are the same no matter whether we're providing aid to another jurisdiction or we're receiving the aid from an event.

Projects are declared obligated meaning a payment is in progress. Expenses relative to any claim are shared between the federal, state and local government which is us. Typically, the federal government is at 75% and the state is at 12.5% and then we share in at 12.5%. Payment is received and projects are closed out. Future audits are always possible for up to another 5 years.

Between the years of 2016 and 2020 FPUA has had five claims with FEMA. Hurricane Matthew happened in October of 2016. The good news is most funds have been received that FPUA expended out and the close out process is beginning. Hurricane Irma was in September of 2017. We are through the audit and still under review. Funds have been received toward Cat B and Cat F funds are still pending. We're working on mutual aid where they are asking for more information down to the level of detail of any overhead percentages and how they're broken out for things we might have been charged from the jurisdictions that came to help us.

Hurricane Dorian was in September of 2019. Funds have been received towards Cat F. Mutual aid fell into Cat B during Hurricane Dorian. Dorian was expected to hit Fort Pierce straight on and

we pulled the mutual aid in as an emergency protective measure. That's the storm that curved north as it went over the Bahamas and we did not take the direct impact. There is a lot of review on whether mutual aid will be reimbursed or whether we'll be going through the appeal process on that.

Tropical Storm Isaias, we incurred $21,000 worth of expenses for that storm. FEMA has declared a good portion of that as ineligible and we had less than $3,000 remaining. They were looking for things only related to labor that was directly involved with the emergency operations center. Our request for public assistance has been withdrawn.

The last open claim is COVID-19 which began March of 2020. The RPA has been filed and we're collecting the expenses net of any Cares Money that's received. The claim is still pending as we continue to gather information.

As you can see from this summary, FPUA has incurred $2,681,000 from these five events. FEMA has denied $131,000 of that. There's a possibility of another $300,000 being added to that, both have to do with mutual aid from Irma and Dorian. That hasn't happened yet. We'll work through the processes necessary. So currently we have $2,550,000 under FEMA review and FPUA does share in a portion of that. We have received payments starting in 2018. The total payments between 2018 and this current fiscal year are $1,087,000 worth of reimbursement we have collected with $640,000 still being in this year. We have a small amount left obligated as we are going through the closing process on Matthew. The $878,000 in Irma, once we spoke with them last week and we're going to lead the mutual aid process where we're still trying to get this detail involved and they're submitting a request for reimbursement so some of that money should start coming in here relatively soon. The COVID-19, as I mentioned earlier, the payment we received against that came through the CARES Program.

We do have some challenges to this process for processing claims. We have competing priorities both during and after the storm. Our first priority is to get the power restored and service our customers. Turnover and changes to the FEMA Representatives has been frequent. They change managers during the event and we have to bring each representative up to speed on our business. Each storm may have different reporting and eligibility requirements and as you can see there are time delays from expenses incurred to cash being reimbursed.

Just to summarize, we have incurred $2,681,000 worth of disaster related expenses. FEMA has made initial adjustments of $131,000 with a potential of another $300,000 out there. Expenses are shared between federal, state and local governments. We've collected in the last three years over $1,087,000 worth of reimbursements and there's $1,256,000 still open.

Any questions or comments?

Mayor Hudson asked are we good for previous storms prior to Matthew?

Ms. Pepple said we are.

Mrs. Gibbons asked how often do you guys get updates from FEMA? Quarterly or annually for each of these?

Ms. Pepple said I receive a phone call from the Dorian representative weekly. When we were going through the Irma request we had weekly or by-weekly meetings scheduled also. We have completed the review and the audit on that. They've made one additional request from mutual aid so we had to go back to the jurisdictions that helped us from Michigan again and asked for more information. This is kind of difficult as we've been to them several times getting a lot of detail and the event happened back in 2017, they helped us, they were paid, and they're ready to move on. We're trying and we're working with them to see if we can get the additional information to keep things moving.

Chairman Fee asked any other questions?

Mayor Hudson said I have one more. Do you have to work through the state for the federal funds or are you working directly with the feds?

Ms. Pepple said the representative from Irma was through the Florida Department of Emergency Management and they report back to the state on the funds eligibility.

Mayor Hudson said the funds flow down from the feds through the state? Is that the way it works? Are the people that you work with do they work for the state or federal government?

Ms. Pepple said yes they do and we've had contacts on both the state and federal governments. The initial closeout process that started with Matthew, we were working directly with federal on that. As I said my contact at Irma has been Florida Department of Emergency Management. She's a contract representative representing them.

Chairman Fee asked any further questions? Thank you.

Mr. Tompeck said the next item is a status report on the electrical power cost adjustment for June 2021 and Barbara Mika will make the presentation.

Ms. Mika said thank you Mr. Tompeck, Chairman and Board Members. Good afternoon, I am here today to provide you with the information about the status of the June power cost adjustment and the updated 12 months projections through June of next year.

Power costs that are in excess of our base power costs are accumulated and are credited back to the customer through the PCA adjustment. The power cost purchase from FMPA for the month of June was billed to FPUA at a blended rate of $67.06 for 1,000 kWh. This was an increase of $3.79 from the previous month. In June FPUA experienced an under-recovery for the month from the customer of $154,869 bringing the over-recovery to just over $2.9 million as of June 30th of this year.

This chart tracks the cumulative monthly balance of the power cost adjustment over-recovery in relation to the approved power cost adjustment levels looking back two years on actuals with projections forward for 12 months through June of 2022. The level of the power cost adjustment is represented by the darker blue line on the bottom and for the month of June was at negative $12 per 1,000 kilowatt hours. The bars on the top of the chart represent the amount of over-recovery, the blue bars are the actual monthly balance of the over-recovery while the orange bars to the right depict what the projected over-recovery or under-recovery, in some cases, would be if the forecasted numbers are correct. These projections have been prepared by Raftelis Financial Consultants and are based upon data forecasts prepared by FMPA.

Since the May forecast, FMPA estimate of the cost of purchase power for the upcoming 12 months has increased 8.7%.

This graph represents a comparison of projects trending the power costs recovery through June of next year. It was originally presented to the Board to have a summertime decrease with the increase in October to the PCA. This graph demonstrates the direction of the PCA adjustment based upon the most recent projections that we have received. All of these scenarios keep the $12 PCA in place through the end of September. The gray line shows no change in October keeping it at $12 and that will bring us below the rate stabilization done by December. The green, red, and orange lines put in a $4 increase back to negative $8 on October 1st. With two of the scenarios picking up another increase in January with another increase bringing it down to a negative $4. Then perhaps depending on how the forecast goes, the orange line shows what it would be if we did an additional $4 bringing the PCA to zero in April. All these scenarios have been forecasted to increase power costs.

We will of course continue to evaluate monthly projections that we receive from FMPA and report to the Board. It is the recommendation of staff to make no change to the power cost right now, but to strongly consider an adjustment for October 1st and we will continue to watch this closely and bring you updates as soon as we have the information.

Mr. Tompeck said might want to add one item here. What's happening here and what's driving the prices is the normal stuff, natural gas. If you look at the futures for natural gas they're up in the $4 range over the winter and that's significant. I talked with Jacob Williams today and FMPA is trying to figure out ways they can lessen the impact of what we think is going to be expensive gas over the winter because the futures show come April or May of next year it will go back into

the $2.90 range, but in the wintertime it's going to be up and it could be up in the $4.30 range. Today I believe it was about $3.90. So I'm real concerned about the curve here and when we come back in October, what we anticipate to be the October increase it may be more than $4.00 based on the current information at that time.

Chairman Fee asked any questions?

Chairman Fee asked so we're anticipating having a $4.00 increase around October and then perhaps another increase around February or January?

Ms. Mika said it's up to the Board when to do it.

Chairman Fee said so are we recommending $4 increases each time?

Mr. Tompeck said I think we want to look at that as it comes along. We don't want to make that determination now. The natural gas market is pretty volatile. You don't know what exactly it's going to do, but the futures indicate it's going to be expensive over the winter. The $4.00 we were anticipating in October was really planned 6 months ago when we dropped the $4.00 for the summertime, then we were going to raise it in the wintertime. So that $4.00 was always in the cards regardless of what the natural gas cost was now. So it might be a little bit more. I just want to brace you or let you know the possibility is there.

Chairman Fee said thank you.

Mr. Tompeck said since Barbara is comfortable she can go ahead with the financial operating results for May 2021.

Ms. Mika said I have for you the financial operating results for May of 2021. I'll give you the financial highlights for the eight months ending May 31st. Our year-to-date operating revenues through May were $65.8 million dollars. This brought an increase of $1.8 million over the same period last year in 2020. The month of May brought increases in unit sales for all systems and put in an additional $366,000 in revenues just for the month of May added to that year-to-date. So May was a very good month for sales. It was mostly general service and some other operating revenues that contributed to that.

The operating expense has increased for the first eight months of fiscal year 21' by $1,287,000 and that was primarily due to increases in the purchases for resale, depreciation expense, bad debt expense is up and our utilities expense is up. The combined effect of the increases in

revenue and expense brought an overall increase in our year-to-date operating income of $552,000 year-to-date.

Capital contributions for the first eight months of 2021 were greater than the prior year by $2.5 million and came in the form of water and wastewater capital improvement charges and noncash contributions from developers for both water and wastewater.

The distribution to the city was paid in April. After adjusting for 6 months of expense our May year-to-date increase in net position was $3,048,000.

This is our three year comparison of the year-to-date electric revenues that are adjusted for the cost of purchase power in relation to consumption. Fiscal year 2020 consumption was basically flat, that's the black line, compared to 2019 with adjusted revenue down just 2%. In the current year-to-date the adjusted revenue and consumption were both up by 3% when compared to the prior fiscal year 2020.

The cost of our purchase power in fiscal year 2020 was $2.1 million dollar savings over 2019. The cost comparison of electric purchases resale for the current year-to-date is now even with what we were paying back in 2019.

The fiscal year water services billed and the operating revenues were up nicely from 2019 with steady increases in both unit sales and revenues. Fiscal year 2021 the year-to-date services billed and operating revenues continue to trend up with consumption higher by 5% over the previous year and operating revenues up by 6% when compared to 2020.

Wastewater operating revenues while gallons billed increased slightly in fiscal year 2020 the revenues fell short in the year-over-year comparison due to the capacity reductions from the previous year. In the current 8 months to date wastewater gallons billed increased nicely by 8% with operating revenues greater in this comparison by $500,000 which is a 6% increase over last year.

Fiscal year 2020 natural gas operating revenues adjusted for the cost of the gas purchase along with consumption shows a small increase in revenues of 1% and a similar increase in consumption from the prior year, 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 were greater by 6% and the consumption has increased by 7%.

In regard to the cost of gas for the 8 month period reporting, we're experiencing an 8% savings in 2020 over the previous year in 2019. The cost of gas purchase for the first eight months of this year has returned to the fiscal 2019 level with an increase of $284,000 or 14% over last year.

Operating income and debt service coverage is the ratio of the 12 month average of net available income to our current debt service. For the 12 months ending May of 2021 our debt service ratio was 3.26 times. The ratio 12 months ended in September of 2020 was 3.16. Our bond covenants require we have a minimum ratio of 1.25 so we are within our compliance for that debt service coverage ratio.

That's all I have. This is an information only item if you have questions.

Chairman Fee asked any questions? Thank you.

Mr. Tompeck said the next item is an update on the wastewater work on DiGiorgio and Enterprise roads and James Carnes will make the presentation.

Mr. Carnes said thank you Mr. Tompeck, Chairman and members of the Board. This is a brief update and this mirrors some of the information we provided at the Budget Workshop. There has been a few changes so we will make those noteworthy towards the end of the presentation.

Back in 2018 a three party grant proposal which included St. Lucie County, Fort Pierce Utilities and City of Fort Pierce was submitted to the Department of Economic Opportunity seeking a Florida job growth grant to provide sewer connectivity to 37 industrial parcels outlined in black on the screen and the City of Fort Pierce and the area of Enterprise and DiGiorgio road. This area is approximately 178 acres and of the 37 existing parcels 22 have existing small, medium and large businesses.

The grant was indeed awarded under DEO grant number G0057 in the amount of $1,917,841 obviously assuming a contribution from FPUA in the amount of $650,000. Additionally, around the same time that grant was being submitted and considered by the DEO a large commercial customer, Natalie's, was looking to expand their operation and they sit on a parcel of land in the same industrial quarter in the tail end of DiGiorgio Rd. With most commercial facilities space time is of the essence and the need to have connection to wastewater is vital for them to develop as much land as possible to meet their operational needs.

Despite the progress of the grant, Natalie's indicated to FPUA that they would need wastewater service prior to or much earlier than the grant timeline would provide. After conferring with the

DEO and that the FPUA contribution to the project did not have to be included in the bid, we provided Blue Goose Construction with a task order to construct phase one of the project.

Phase One of the project as seen here in green includes approximately 4,500 linear feet of 8" force main from the intersection of DiGiorgio Rd. and Enterprise east to US 1. This project was started in September 2020 and was completed December 2020 at a cost of $310,000.

Phase Two is the portion of the bid that was recently awarded to Southern Underground Industries includes a remaining section of force main from the intersection described earlier down to the lift station which includes about 600 linear feet of fore main, the lift station itself and approximately 6,400 linear feet of gravity fed pipe and it's slated to by Southern Underground Industries.

We have a few important project grant dates I wanted to highlight. As indicated earlier, the summer of 2018 the grant application was submitted to the DEO. It took approximately a year for them to review it, provide us the agreement and it was at the same time that we executed the grant agreement. There was a memorandum of understanding that was approved between FPUA and the City of Fort Pierce as it deals with the handling of the grant funds and the project. January 27 is when the project was uploaded on DemandStar and on the May 18th Board Meeting it was awarded to Southern Underground Industries in the amount of $1,875,387. Subsequent to that approval we had to submit the actual bid documents to the DEO for review and approval. That was done in the beginning of June. It took them quite a few weeks to get us an approval, but on July 9th we received that approval. We needed that before we can give the notice to proceed to the contractor so it can start the efforts bid itself. We had a conversation with Southern Underground last week, in fact, to discuss the project timeline, product acquisition and we received a list and a stack of notifications from a bunch of suppliers talking about supply chain issues as well as infrastructure price increases.

To get the project up and running we're approaching this one in a little different path. We are going to essentially provide two notice to proceeds. The first one is going to be for shop drawing approval, product acquisition times as well as project scheduling. You need the product acquisition times to determine the scheduling and then once that is achieved and we give them 62 days to do that we're going to have a part two where we start the construction. That's where we bring in the CEI that we have hired to manage the construction and we can actually get out there and break ground.

Does the Board have any questions? I'll be more than happy to answer them.

Mayor Hudson asked so when will Natalie's be able to move in?

Mr. Carnes said as it stands right now I believe the construction development of that property is within their timeframe. I think they are still submitting for site plan approval. I think they are still working on site development. I'm not too familiar with what their breaking ground timeframe is, but the building of that force main allows them to at least connect a temporary grinder station to give them wastewater service until the project is complete and we can have gravity sewer supplying all the residences in the area.

Mayor Hudson asked so it might be two years or something like that? Because I know that long ago it was three years ago they were very anxious for this to happen so this has been a long time in the works, right?

Mr. Tompeck said it has been. We thought there would be the work around that James just described that was to accommodate them moving in earlier and it doesn't look like it's necessarily going to be needed at this point. We are going to be finished first.

Mayor Hudson said I had discussions with representatives in another venue and they were anxious, but that seemed like a long time ago and it seems to me that we're doing everything that we can in a timely fashion to accommodate whatever their needs are. I would think Natalie's would want to be out of where they are as much as possible in connection with whatever is going to happen with the railroad, but I don't know that.

Mr. Tompeck said well if there's a problem Mary Grace will be sure to call us. She has our number.

Chairman Fee asked any other questions? All right. Thank you.

Mr. Tompeck said the next item is an information presentation on new discharge regulations affecting the water reclamation facility and Mike Martin will make the presentation.

Mr. Martin said good afternoon. Thank you Mr. Tompeck, Mr. Chairman and members of the board. I'm here today to talk about some new river discharge regulations that are coming down the pike from the state legislature and the FDEP and how they'll affect our current plant and the implications on the relocation project that's gaining traction lately.

First a little background. From 1985 the plant, in its current form, came online for 8 years and every year prior to that for that matter. All of our effluent disposal went into the Indian River. That was kind of the norm back then, the industry norm, it was culturally acceptable and the DEP permitted us to so. Through social consciousness, change, and environmental regulatory

evolution a deep injection well was decided to go in in 1993. It's a more sustainable solution. So that well has been online for almost 30 years now and it's taken 100% of effluent with the exception of emergency flows. That well is currently permitted for 14.9 million gallons. Our actual capacity is actually more like 16.5 million with all four of our pumps wide open. I have seen surge flows, however, during torrential rainfall the well went into the 20 million plus range. The problem you run into is if you have sustained high flows like that it's a matter of time before you go into the river because the well can only handle so much. Any unauthorized discharges trigger FDEP fines, violating letters, warning letters, and consent order. Worse case scenarios if you get enough violations it could lead to a revocation of the permit. Which is something that would be terrible.

They do allow discharge every five years in the language of our permit for a mechanical integrity test, MIT we call it. This is done as part of the normal permit renewal process and during this week of work we're allowed to discharge into the river after some previous sampling is done to confirm that our affluent is okay to go.

New regulations were added June 29, 2021 and they were passed. It adds the Indian River Lagoon to the list of Florida's protected waterways. So that means it has extra environment protection and of course it puts the microscope on our plant since it's right on the Indian River Lagoon. Of course, this was passed in response to the blue/green algae crisis that has plagued our area for the last five years and we were prompted in a couple of different correspondences with DEP to provide an action plan at a discharge elimination plan to try to get rid of the idea of discharging ever again.

We also have had some recent spills out in the field. There was a force main blockage which caused a backup at the Harbor Town Marina area. We've also had an odor complaint from the marina next door to the plant that I think was related to some low tide algae, but it may have been our bio-solids trailers they are usually the most stinky part of the plant.

I want to talk real quick about what we've done at the plant internally to try to mitigate that effort, mitigate the risk of a discharge. First of all, the generator. Many of you know about that. That came online late 2019 and it's been great to have it in place. That gets rid of the risk of any power related discharges which we've had many beforehand. We've upgraded the injection well pumps and built three of them in the last couple of years. The impellers are brand new on those so now they're pumping at max efficiency. From before and after testing we were able to go from about 15.7 million gallons up to about 16.3 just from those pump rebuilds and tune ups which is great. Every year we are going to make sure that we pull those pumps, adjust them, tune them up, clean the screens on them and make sure they are good to go for every hurricane season.

The most exciting thing and it's unfortunate my picture turned sideways, the staff mechanics at the plant have recently installed a new wet well bypass pump. This is great because it gives us a fifth pump to assist the wet well to prevent it from going into the outfall. This is actually going to bolster the performance of the four main deep well pumps and we've reutilized underground piping and old digester tanks to divert flow. This should give us about 12 to 14 hours of additional flow out of that wet well in order to keep it under the outfall. The October storm discharge we had last year due to that heavy rainfall, I believe it would be hard to test it without another storm. I believe this fifth pump would have prevented that discharge because those two days we discharged it was only for about 7 hours each day. So I think this pump would have helped. So hopefully, if we ever have that problem again this pump would help out a lot.

So we received correspondence from a couple of members from the FDEP and they've asked us to come up with a plans from two difference perspectives.

The first one would be an advanced waste treatment perspective by eliminating the risk of a negative pollution discharge at least by upgrading our plants process to meet the standards of what they call advanced waste treatment. This is basically much higher quality wastewater effluent than what we currently make. We're close, but not quite there. Advanced waste treatment calls for less than 5 milligrams per liter on our BOD and TSS. Those are our main two parameters we test our affluent with and also less than 3 milligrams of total nitrogen and less than 1 milligrams of phosphorus. Those are the main nutrients that are attributed to causing the algae problem.

I can tell you we are under on our annual averages of BOD and nitrogen, but we are a little high on our TSS and phosphorus. The only way to really fix that we would have to add some processing equipment at the plant to further treat that water and I'll talk about that in a minute. The good news is we're not alone we are one of 10 facilities that do not currently meet these advanced waste treatment standards. These are just older plants that weren't built and designed for that type of standard. The FDEP does require a Governor's report being filed and that is hand delivered to the Governor's desk which updates about every utilities progress towards this elimination of discharge.

The other angle that we were confronted about and guided about was the reuse perspective. This angle takes that we can and implies that we should install a reuse system in an effort to eliminate our discharge. What we currently reuse onsite is for landscaping irrigation and wash down water. To expand that and pursue a larger reuse project would be fairly capital intensive, but it is something we could look into and I'll talk about that in a minute as well. Also, in this provision the language includes an exemption language that talks about how it would be exempt if it was related to wet weather. Now you can assume that means they'll mitigate any kind of

violations if it's related to storms or acts of God. There is no specific allowances dictated in our permit that specifically says that only for the MIT is how we're allow to discharge and if we do it must still meet those advanced waste treatment limits.

With this reuse perspective plan we have to actually respond to them by November 1 of this year and the full implementation of that discharge elimination plan is due by January 1, 2032 so we do have plenty of time. That's the good news here.

Our three big options for compliance that will satisfy one or both of these guidance's would be to drill an additional deep injection well and extra pumps at the IWRF itself to accommodate the surge flows and the MIT. This would be a pretty expensive project probably around $15 million plus and it doesn't seem like it makes sense to spend that money at that location since the relocation is so close. What this would do though is give us a big benefit because it would handle those surging flows. We would have two deep injection wells at our disposal and extra pumps that would take the place of that fifth pump I was talking about. I do feel confident the two wells could handle anything that might come our way in a storm or act of God. That would come in increased O&M costs and MIT, because you would now have two wells to perform MIT's on every five years.

The second option would be to pursue and invest that reuse infrastructure project. That would require an anchor customer on the island, something like Harbor Isle or Ocean Village and it would require expenditures on both sides. They would have to upgrade infrastructure on their property to do that as well so from what I hear that was discussed about 20 years ago when Harbor Isle first went in and for some reason that didn't come to fruition due to the complications, right of way issues, and easement problems that all come with that. That would also be fairly expensive $5-$10 million at least we think for that. That would increase our O&M costs, but that might create a possible revenue stream. Once again doesn't make much sense considering the plant's expected life.

The third option and this probably makes the most sense would be to upgrade our treatment process to that advanced waste treatment standard. Ultra violet, high level disinfection is probably the easiest way to retrofit our current plant to meet some of those requirements. I don't think the total suspended solids would work -- I don't think that would be affected much by the ultra violet. We probably would need a membrane filtration at the end as well. That process would be probably $3-$5 million to get that engineered and retrofitted and installed. That probably would be the goldilocks solution if we were going to upgrade our current plant. That would also increase the O&M costs as well.

Now what I'm talking about here is all related to discharges. What causes discharges it's primarily infiltration and intrusion into our collection system. We still have some infrastructure out there that's over 80 years old, some clay and iron pipe that is steadily being replaced, rehabilitated, slip lined and worked on. Wastewater collection and wastewater engineering worked together to spend at least a half million dollars out of their O&M budgets towards this cause steadily making progress, identifying the older parts of town and upgrading them. We did also just receive a grant from the DEO for $4.7 million dollars that's allocated $900,000 to the island, and the rest of it goes to the mainland's infrastructure. That's a big upgrade. That's going to help this effort quite a bit, but there is still a lot of work to go. Because just moving the plant doesn't necessarily solve the infiltration problem. It's just going to be going to a new plant. There would still be too much rain unless we keep making progress out there in the field.

End of its life. The good news is no matter what avenue we go or which relocation we choose we will satisfy everything. We'll get off the island. We will satisfy the Florida legislation and of course the FDEP. We'll remove all of that liability and risk which is great. Also, the three things I mentioned, the new plant will be designed with an advanced waste treatment type of process. There will be ultra violet, a reuse system that's already part of the design plan, that infrastructure will be planned and built the first time. Of course, the mainland site already has two deep injection wells out there ready to go that were drilled about 15 years ago. It hits all of those notes perfectly and relocating this plant is now a matter of regulatory compliance as well.

That's about it for my presentation. I'd be happy to answer any questions you may have.

Chairman Fee asked any questions?

Mrs. Gibbons said I have a question. Maybe I missed it. Did they give us a timeframe of when we're expected to meet these new goals?

Mr. Martin said the Indian River it's kind of, it's hazy the Indian River technically as of July 1, 2025. That's when it's considered a protected waterway. Since our next MIT will be scheduled after that, I was told by the DEP that's probably when we would need to have something in place for at least the advanced waste treatment side of it. But the full implementation, that date was January 1, 2032. There's a very good chance the plant would be relocated by then. That's the good news. There's no super urgency here. By the time we do our 2027 MIT we're going to have to have a plan in place or they may not renew our permit. We have an MIT scheduled next year and then 2027 after that.

Mayor Hudson said I have a question. So the St. Lucie River is not part of it. Just the Indian River Lagoon as far as you know?

Mr. Martin said it's called the Indian River Lagoon in the provision.

Mayor Hudson said isn't the project site near the north fork of the St. Lucie River?

Mr. Martin said I think its east of it. It's not that close. It's going to be right off Selvitz Rd. there, right next to the TCEC. It's a brand new plant we'll have the second well. We'll probably have oxidation ditches. We can design a plant that can handle all those flows since we won't be retrofitting an existing location.

Mayor Hudson said so what you're talking about….some of that is on the island right now. What are you doing for the island in the meantime? Where are we right now?

Mr. Martin said the biggest thing we're doing is that fifth pump I think really will help. Because the October storm that I worked through was a torrential amount of rain in a very short amount of time. That's probably the worst rain storm I've ever seen and that includes hurricanes and tropical storms. That caught everybody off guard and we were at 20,000,000 gallons within half a day. Just huge flows! I do think that fifth pump would have kept our well level below the outfall. That's how it works. If too much is coming in that well level just keeps rising and rising and rising. So a fifth pump, in my opinion, would have prevented the October discharge or at least mitigated it to almost nothing.

Mayor Hudson said so when we move, there will be a plan for reuse….maybe we will be contacting potential customers, large customers.

Mr. Martin said I believe that is the strategic plan. Yes, that's going to be a big revenue stream to help fund that plant. That's definitely on the high wish list for whichever design is chosen.

Chairman Fee said I have one question. Do we have to report or present a compliance plan within any timeline?

Mr. Martin said November 1 they need to have our initial response. They send me a template that me, Mark and Bo will look at and go through. We need to choose an option, either we'll upgrade to an advanced waste treatment or we just need to let them know our intention of what we're supposed to do now.

Chairman Fee said so obviously moving the plant off the island and hopefully we'll have that done by 2032, which seems to be the final date that everything has to be implemented. Obviously,

we'll point out to them that we're going to upgrade by putting a new plant at location A with these advanced wastewater treatments.

Mr. Martin said yes, I've already discussed that with my contacts and told them the plant will most likely be moved before any deadlines even happen, but of course to go through due diligence we'll have to do what we have to do assuming the original plant is still the one 10 years from now.

Chairman Fee asked any other questions? Thank you.

Mr. Tompeck said the next item is Resolution UA 2021-03 which is the 2022 Fiscal Year Budget Approval, Barbara Mika will make the presentation.

Ms. Mika said good afternoon. We did it, we have our new budget book. Everything you want to see and more is in this book right here. I'm pleased to present to you the Annual Budgets for the Fiscal Year Ended September 30, 2022 and amending the Fiscal Year Ending September 30, 2021.

I'd like to start off with FPUA will be celebrating their 50 years of dedicated service to the City and to the citizens of Fort Pierce in 2022. I wanted to start with that and it's right on the cover and it's spread throughout the book if you look in there so we have a new 50th logo to show off.

This budget was prepared with the strategic focus of FPUA in mind. We're working with the city on expansion projects that helps support the current and future needs of our customers and the city. Our business development continues to work on a plan to bring new business to Fort Pierce. We're working on expansion of the gas service territory and we're developing infrastructure for a smart city. That's all part of the plan for helping the city grow.

Our CIP that is part of this annual budget has planned capital projects that support the shared objective of the future mainland water reclamation facility. We also have on our CIP is we're providing reliability improvements that will help improve our electric system reliability and strengthen our infrastructure to improve the reliability of our aging wastewater system through the force main lining. FPUA and its employees have always taken pride in this organization. We support our customers through reliable and friendly service. We live, work and volunteer in this community promoting a positive image of FPUA.

We continue to fund the customer base WEOP program. The weatherization and education outreach program for our customers and we've made some innovative changes to assist our customers with payment options and obtaining financial relief.

There have been no changes to these budgets since they were presented to the Board back on July 6th. The O&M budget (Operations & Maintenance) is formally amended twice a year. Now with the presentation of the new year's budget and later with the final budget amendment. The calculation of funds available for capital can be found in the Annual Budget Book on page 49. The funds available for 2021 is $5.2 million dollars and for 2022 is $10.8 million dollars. Shortfalls in the funds are available for capital and will come through operating cash or we will slow our spending on those capital projects requiring rate funded money. The increase in the fiscal year 2022 projected revenues is about $5.4 million dollars and those came through….are expecting to be reductions in the power cost adjustment. Also, increases in residential and general service sales in that revenue budget and we were also anticipating grant revenue for the wastewater mainlining. We have a huge grant that was mentioned earlier to cover some of the costs for getting that project moving faster for us.

In fiscal year 2022 the increase in the operations & maintenance expense of the $1.6 million is attributable to increases in head count in employees and the related expenses that go with the employees and the details on that are in this book on page 31 and 32 and explained the changes in personnel headcount.

The approved carryover that we had from our 2020 capital budget was about $7,000,000 million dollars and that is included in that $29.2 million in the capital and the amended 2021. So that $29 million includes the carryover from the previous year. For fiscal year 2022 the capital budget of the $30 million includes $8.9 million dollars in debt funding for new issuance of debt, $6.4 million of that will not proceed until we get the funds from the new debt issuance. That's included in that $30 million, all of our expansion projects that we're looking for debt issuance on.

This is the total budget in comparison for the original budget over the years. These amounts include all of our funding sources. The cost of our purchase power that we're projecting for this fiscal year ending 2021 is about 41% of the total budget. So that red mark on the amended budget is about 41% of the total and in 2022 it's about 40%. This is a cost not controlled by FPUA and we budget in a manner that allows us for fluctuation in those costs so we hope to come in under that budget. We usually come in under our total on our expense, but that's because we budgeted accordingly.

This is the revenue by system which is also in the Annual Book on page 58. It shows a slight, but steady increase of the overall revenues over the years. Projections show some income revenues are increasing in general and residential service sales, but there are some offsetting of the decreases from moving it to 2022 in capital contributions in my last presentation and we're not sure what we're going to be getting next year. So those are some of the offsetting revenues.

Our electric revenue increased 5% and that was directly related to the anticipation of the lower power cost adjustments to make the revenues appear higher. Wastewater revenues are higher by 12% overall and that is due to the grant money that we're anticipating.

This is a closer look at the fiscal year 2022 revenues budgeted by system. Electric revenues are projected to be $66.5 million dollars or about 57% of the total budgeted revenues. This is a 4.8% increase from the amended 2021 budget.

Water and wastewater combined operating revenues are relatively flat in fiscal year 2022 from the amended 2021. The increase is only a portion to the PSC public service indexed that was planned for the 2022 in the revenues.

Our gas revenues are expected to increase from 2021 to 2022. With the completion of some expansion projects it's anticipated that we will be bringing in some new customers online. So gas is projecting a little bit of growth for 2022.

This chart should look familiar from the Budget Workshop, but it's been updated for our final numbers. This table trends up the rate funded original budgets from 2019 to 2022. The changes are shown year-over-year and with the cumulative changes for the three years over on the right, the cumulative change in each one of these rate funded areas. The rate funded operations and maintenance expense exclude all noncash items so it excludes depreciation, accretion, amortization -- it's just cash items. The increase in the O&M of $1.2 million is primarily due to the personnel head count changes.

The rate funded capital in 2022 includes some larger reliability projects. The fiscal 2022 rate funded capital are down just slightly and that is because I guess we're thinking we're going to be gearing up to be spending that debt funded money. Less the rate funded money might be spent so we're anticipating that as part of our plan here for rate funded projects.

This compares the actual expenses to the original budgets for operations and maintenance expense. The trend that we experienced over the year you can see that the actual expenses year over each year came in a little under. Generally we're typically at a 5% under our budget when we come in at the end. That's attributed to our biggest line item that's purchases for resale. So if we budget the expenses and are all included in there on the red, the purchases for resale if we come under and we don't spend because we have to budget accordingly that saves us in the end. So we typically come in about 5% under the budget. Hopefully, we will again this year.

This is a close up look at the operations and maintenance expense for fiscal year 2022. It's a clear presentation of just how much the purchases for resale, the biggest item in the red there, it's about 40% of our total O&M budget for next year.

The estimated distribution to the City of Fort Pierce for fiscal 2021 and 2022 can be found on page 50 in your Annual Budget Book. In 2021 the calculated distribution payable next fiscal year in 2022 is $6,471,000 and that's 2% higher than the distribution we paid this year in April of 2021

which was $6.3 million dollars. FPUA also collects and remits to the City 10% utility tax and for 2020 that was approximately $2.8 million dollars going to the City last fiscal year.

This graph is similar in that in showing the actual versus budgeted year-over-year. We typically spend about half of our capital budget. Fiscal year 2020 we spent a little bit more, we spent about 76% of capital and carryover from the previous year with the advanced deployment of the AMI and some storm hardening projects we were closing out the projects from the previous year, we spent a little bit more last year. Project delays happen and for a variety of reasons staff continues to move forward with their expansion, reliability and other projects that we're mandated to do.

The strategic focus of the company drives the projects that are addressed in the current capital budget and the five year CIP. The advanced metering infrastructure and system expansion projects account for 13.3% of the 2021 budget for our capital. About 44% of our 2022 capital budget is projected to be funded through rates, that $13.3 million. Our rate sufficiency study that we had done indicated that between 40%-50% of our rate funded five year CIP could be spent and still maintain our minimum commitment for our days of cash for our bond covenants. We typically target 90 days cash because we have large bills that come in each month. It's expected as in prior years only a portion of that capital that's going to be spent so we're counting on spending out that debt and other contributed projects to maintain our cash levels. Additionally, 29% of the budget the $8.8 million is for the expansion projects is expected to be funded through that new debt issuance that $8.85 million. It's likely that work on these expansion projects will limit the rate funded, because you can only do so much….there are limitations of staffing and other emergencies that come up and things like that so scheduling changes happen. We're anticipating getting down to brass tax and spending the debt money and possibly not spending some of the rate money. FPUA will evaluate the need to use that cash if we have any short falls. We will evaluate whether we need to spend it on those projects as we move forward.

So the budgeting process is a complex one. It's challenging and it takes a whole team of people. I'd like to recognize the efforts and expertise of our staff, Director of Utilities, Directors, Department Heads, support staff and the finance department. Many hours of work goes into completing this project and it's much appreciated once it's all done.

In conclusion of this presentation, staff requests the adoption of Resolution 2021-03 adopting the budget for the fiscal year beginning October 1, 2021, ending September 30, 2022 and amending the budget for the fiscal year beginning October 1, 2020 and ending September 30, 2021 for the Fort Pierce Utilities Authority of the City of Fort Pierce in Florida.

Do you have any questions or comments on this budget?

Chairman Fee asked any questions?

Mayor Hudson said you said this is the same as what was presented to us in July. For anybody watching this we have been working on this over months.

Ms. Mika said exactly. We have made changes since the workshop until we presented it in July we made some cuts and somethings went up and somethings went down. Overall, it went down from the workshop to the final product.

Mayor Hudson said it very closely mirrors from our budget workshop. I would be happy to move approval unless you have questions?

Ms. Sabota read Resolution UA 2021-03 a resolution adopting a budget for the fiscal year beginning October 1, 2021, and ending September 30, 2022 and amending the budget for the fiscal year beginning October 1, 2020 and ending September 30, 2021 for Fort Pierce Utilities Authority of this City of Fort Pierce, Florida.

A motion was made by Mayor Hudson, seconded by Mrs. Gibbons, and unanimously carried to approve Resolution UA 2021-03 a resolution adopting a budget for the fiscal year beginning October 1, 2021, and ending September 30, 2022 and amending the budget for the fiscal year beginning October 1, 2020 and ending September 30, 2021 for Fort Pierce Utilities Authority of this City of Fort Pierce, Florida.

Mr. Tompeck said a couple of quick items. Based on your approval of the budget and resolution 2021-03 staff will be presenting the budget to the City for approval at the August 16, 2021 City Commission Meeting.

The second item is staff has been working on a utility advisory board which will give our customers the opportunity to work with staff, to identify and resolve issues, concerns and questions. At the next Board Meeting we'll make a presentation on the concept for your input.

Third item is based on the June 22 joint meeting with the City Commission on the WRF Relocation. Staff has been looking at options to speed up the overall effort. We will be setting up meetings with the Board Members individually to discuss those options next week. We anticipate Board action will be required before proceeding and we're shooting for the 8/17 meeting for that approval.

The last item is staff would like to congratulate Paul Jakubczak who is elected president-elect for the Florida Municipal Electric Association at their annual meeting two weeks ago. He will assume the president's role during the annual meeting next year.

That is all I have this afternoon.

Chairman Fee said moving on to the Attorney's Report.

Attorney Koblegard said there is really nothing to report on at this time. If you have any questions, I'll try to answer them.

Chairman Fee said any comments from the Board Members?

Mrs. Gibbons said I have a couple. Barbara Bennett came up and I met with her yesterday to give you an update about that. She had a couple of concerns obviously with the two areas that she discussed today. A couple of them being wastewater as well. So I was talking to Bo and Javier about customer service and we're working on getting some communication back to her about how their area is broken up and why things are the way they are. I'm also learning which is great. Hopefully we can help alleviate that. She is also the President of their HOA in that area so maybe this advisory board that Mr. Tompeck just spoke about, she might be a great addition to. I may want to bring that to her attention.

Another thing I wanted to discuss was I wanted to talk about the succession plan for Mr. Tompeck. I know we discussed that several months ago and we had maybe talked about it in December maybe a date that he had kind of thrown around or whatever. I'm getting to the point where I'm a little antsy about it because we're talking about moving a wastewater plant and I would love the succession plan in line so that person in that position is helping to make those negotiations and laying everything out from here on forward. I would like to talk to you guys about that stuff if you have some comments.

Mr. Fee said I agree with you. If something were to happen during when we make this move we need to know who is knowledgeable that is going to step in at least to fill the void until the city appoints a new director. That could take some debate and some time and there might be a job search. So I do think there needs to be some sort of resolution as to who will step in and fill the void until a new director hired. Whether we get someone internal or if we go outside, but there needs to be something.

Mayor Hudson said this board chooses the director. We go through a process and it takes time, you're exactly right. I appreciate you're bringing it up. Mr. Tompeck so do you have a timetable? Have you discussed a timetable?

Mr. Tompeck said no I don't have a timetable, but I'm obligated in my agreement to give you at least a three month notice and I will probably do better than that. I'm probably looking at the first quarter of next year. Sometime between January and March.

Mayor Hudson said if you're bringing this up is there -- did you have in mind about a way to go about this?

Mrs. Gibbons said so in watching some of what's going on in the city as well while they're trying to find a new attorney I know that they are seeking out a consultant to assist in finding a person to take over that roll and from what I understand it has been very slow to get that consulting firm to help. They're about six months lead time. I don't know the process, I would love to try to seek out a consulting firm that we would feel comfortable using and build what we want and I'm sure there is a resume or there are guidelines out there with what we would like to have in the Director and maybe there's…..I don't know if we need to have another workshop type of meeting to discuss that. I don't know. This is all new to me.

Mayor Hudson said I can share with you what we did the last time when we picked a director. We did use a consulting firm, the name I can't think of, but they specialized in utilities and one of the things that we did was when we decided to use that firm we wanted to identify any internal candidates. Then we made a decision from there about whether to go outside or not because you don't know what you have until you've made a decision that you're going to have a succession offering. You don't know who is interested internally and then from then on you can make a decision about whether you feel strongly about going outside or whether you are satisfied with choosing from any internal candidates.

Chairman Fee said let me just put forth a simple hypothetical. First off we're kind of engaged in this discussion as if Mr. Tompeck's going to retire or something in the immediate future. I'm thinking the situation of what happens if Mr. Tompeck leaves here today and gets hit in a car accident and is killed. There needs to be a very quick –

Mr. Tompeck said can't I win the lotto instead of getting killed…..(laughter).

Chairman Fee said I guess either one of them you would have abruptly departed. Generally, what I've seen other businesses do they would have management come up with the succession plan for emergency situations. They would present it to the board, we would approve it until such time as we have to make a final hire. If we're talking about an emergency situation the only individual that truly is going to know who is ready for the roll is sitting right over there and his recommendation should be given a lot of weight. Now, when he retires, naturally a job search or thing of that nature would be done, but we need something to fill in the gap. Even if he retires and we know who is going to step into his role, until we give the final blessing as this person is hired or we're going outside. My thought is we should let them come forth and put a succession plan in place should an event arise and we need to utilize it.

Mayor Hudson said could we do it on two tracks? You see what I'm saying?

Chairman Fee said yeah you can do. It's whenever the director leaves. Whether he retires or there is an emergency.

Mayor Hudson said that's going to be here pretty soon.

Chairman Fee said exactly, he needs to put forth a recommendation for us to at least know who their thinking about and it gives him time to talk to other employees as to who he would like to add into the ring essentially. We do need a recommendation from him.

Mrs. Gibbons said I do agree that their needs to be some feedback obviously from the current Director. I don't know if that would have to be so formalized, but I guess it does in this forum, I'm not sure.

Chairman Fee said I don't know if you're absent from a meeting who do you appoint to run the meetings?

Mr. Tompeck said actually I do some rotation. Quite frankly all of our Directors can handle this kind of a meeting or in general in a meeting. So I don't necessarily play any favorites there and what you're asking is kind of tough to do. I mean I can do it, though I'd be reluctant to necessarily share those results with others because I would not want other people to feel they've been eliminated from further consideration. So we might want to figure out how to handle it delicately.

Chairman Fee said I'm sure you can keep it confidential, but just think about a bank you know when the President goes down there should be options just put it on the table with us who you think could step in temporarily.

Mr. Tompeck said I can take a crack at that. Either talk to you individually and pass those ideas along to you.

Mayor Hudson said I do think that for the future new director that is very much a board decision and not….

Chairman Fee said absolutely a board decision. We need someone to keep the lights on till we get that next person.

Mrs. Gibbons asked so how far in advance do you guys think that needs to start?

Chairman Fee said I think it should start now. They should give us some ideas right now, as soon as possible at least. We need to all be on the same page.

Mrs. Gibbons said I mean for the retirement part of it though.

Mayor Hudson said I think we should do a dual track. Both things….at least think of them. Also, know what's out there in terms of a consulting firm. As you said it may take a while to line them up and then from what I remember we had to really relook at the job description and we had to come up with salary parameters. There's a lot of thought that has to go into it. The consultant usually wants to interview board members and ask what you are looking for. That all takes time and to line somebody up takes time. I don't remember the name of that firm, and maybe there is more than one firm.

Mr. Tompeck said I don't remember the name of the firm, but it might suggest as a first step let's get the job description out and dusted off and take a look at that. That would be a very good first step to get moving.

Mrs. Gibbons said do we do that or does HR do that? How does that work?

Mr. Tompeck said well I'll have HR look at it first, but then we'll send it to you and you can, since you're making the decision, you would have the input on the job description.

Mayor Hudson asked do you want to have this done by a certain time?

Chairman Fee said I think we should have it done at least by years end. At least have a good route to go.

Mayor Hudson said where are we -- we're in August.

Mrs. Gibbons said I was thinking October.

Mayor Hudson said well that's our fiscal year.

Mrs. Gibbons said yeah we will also be in discussions further about water treatment plant movement and all that kind of stuff.

Mayor Hudson said it's one thing to continue to flow, pun intended.

Chairman Fee said you're thinking perhaps first quarter of next year? So you're thinking October, everybody feel comfortable with that?

Mayor Hudson said remember we're going to have two new board members.

Chairman Fee said October 1.

Mayor Hudson said and one of the things that I was going to suggest was we're sort of in this in that we have to review of our policies and procedures for the board. When we have these two

board members…..because I'm not even sure we ever did it with any of the new board members. Well….we might have.

Mr. Tompeck said we talked about it in general terms. I don't know if we went policy by policy, but that's not a bad idea. We'll take a look at those.

Mayor Hudson said I think we did it when you took over. We went and we looked at them and maybe we made a few changes or something and I'm not sure we've looked at them since then and I just think it would be a good refresher in light of what has happened in terms of losing a board member. So then the board members can be refreshed or know what their responsibilities are and know what their obligations are and what kind of standards they have to meet.

Mr. Tompeck said and I can certainly send out a note to all of you as to how to find those on the internet.

Chairman Fee said you certainly are not suggesting that we're not meeting your standards are you?

Mayor Hudson said I am not. But if you don't know what they are, you know what I mean?

Chairman Fee said I recall going over them when I first came on. He gave us procedures and he discussed it with me.

Mayor Hudson said oh as an individual.

Chairman Fee said I don't know what's been done recently. It's been a while ago.

Mayor Hudson said it would also be good…maybe we want to make some changes. You don't know, we need to look at it and make sure that we're ok with them. Do you need any other direction Mr. Tompeck?

Mr. Tompeck said I don't think so. I think I know what you want me to do.

Chairman Fee said okay so we are going to have something October 1. Any other points for discussion?

Mayor Hudson said I was going to ask about Ms. Bennett, but we're going to get some kind of feedback on what's happened and maybe some kind of status report.

Mr. Tompeck said we can give you some feedback on that right now. Can we Javy? We talked about it during the day so we knew it was coming.

Mr. Cisneros said good afternoon Mr. Chairman and members of the board. We did have a chance to talk to her this afternoon. Gina Morris, Customer Service Manager, and I and we gathered some information about her specific situation on her specific bill and she does have a bill that's about $400. During the summer it's a little bit more around the $470 range and she does have a relatively, what I would consider, she has quite a bit of square footage for her home and she also has some other amenities like a pool. That was part of the reason she talked about the consumption. Without getting into specific details of what happened with her being disconnected, it looks like it was an administrative issue on her part. Looks like she paid the previous month's bill or an amount associated with the previous month's bill. Not the current month's bill and that's what happened with the issue related to her disconnect. So that's the short version.

Mayor Hudson asked does she have that information now?

Mr. Cisneros said she does. We talked to her today, we also emailed it to her this afternoon. We talked to her for about an hour before the Board Meeting.

Mayor Hudson asked would you send me a copy of that?

Mr. Cisneros said absolutely, no problem.

Chairman Fee asked so reviewing the bill with customer, the bill did not look irregular on its face compared to the site visit.

Mr. Cisneros said no sir, it looked like the bill she would typically see during the summer.

Chairman Fee asked that's the bill for electric, wastewater…..

Mr. Cisneros said it's electric and water and the bill also includes garbage and there was something else on the bill…..I can distribute a copy independently to the Board Members.

Chairman Fee said but her electric portion was not $400?

Mr. Cisneros said no it was a total utility bill. So that is something we often talk about trying to address with our rate payers, it's a total utility bill. Like I mentioned it…….

Mr. Tompeck said we probably need to do some explaining to her about it and we hear the Sheraton Plaza and being higher than anyone else. There is a difference they get a surcharge, but they don't have utility taxes. It's really about a wash, but there seems to be a perception that their being treated differently.

Mr. Cisneros said Sheraton Plaza is a little bit different than Paradise Park because Sheraton Plaza has electric, water, wastewater and gas. So they have more utility services on their bills than just electric and water like we do in Paradise Park. In addition, like Mr. Tompeck said there is a 25% surcharge it's part of our resolution which is different than the 10% utility tax.

Mayor Hudson said so that's where she got the idea that somehow she was being charged more than other people were being charge.

Mr. Cisneros said yeah that's part of the reason. Also, I think that because the utility bill in Sheraton Plaza includes other services people just say the electric bill when it's not it's the total utility bill.

Mrs. Gibbons asked how about the deposits? How does that work?

Mr. Cisneros said the deposits are based on two months consumption of that address. Even if you lived at a previous address, they take the consumption of the address you want to move into and we get a red, green and yellow….we don't get an actual credit score. I don't know the exact term, but run their credit. Based on whatever marker we get they get either half the deposit requirement, double the deposit requirement or no deposit requirement.

Mrs. Gibbons asked is it the same for everybody?

Mayor Hudson said I'm remembering from my experience if you already have an account with FPUA and you're in good standing that you have a better treatment on the deposit.

Mr. Cisneros said right. If you have a history, I want to say 2 years with no late payments, I forgot the details, but it's two years with no late payments you don't require a deposit or if you did have a deposit it gets refunded back to you. If you have good payment history and you move to another location in the FPUA service area a deposit is not required.

Mrs. Gibbons said now that Sheraton Plaza vs. Paradise Park we were talking about annexing vs. non-annexing right.

Mr. Cisneros said yes that's a question for a different group. That was a question for the city.

Mayor Hudson said the city is looking at a large annexation that would include Paradise Park and have made approaches to the County to allow us to do that and the County hasn't seen fit to allow that to happen. That's an area in the north part of Fort Pierce, but east of 25th and west of US 1 and almost up to airport road. Some of those are City and some are County so it kind of looks like swiss cheese. What we're doing in the meantime is just annexing individual properties one at a time. That might be a long time coming.

Mr. Cisneros said and when that happens it would go from a 25% surcharge to a 10% utility tax.

Mayor Hudson said so it's either the surcharge or the tax right.

Mr. Cisneros said if you're in the city it's the utility tax.

Attorney Koblegard said she's not in the city yet.

Mr. Cisneros said I believe she is in the city because she's in Paradise Park.

Mr. Tompeck said I think she said her rental is in Sheraton Plaza.

Mrs. Gibbons said when I spoke to her she had commented that her neighbor had a higher bill than her that's why I was like is she annexed or is she not. I don't know.

Mr. Cisneros said Sheraton Plaza does have a zig zag line for city limits so it's possible that the neighbor could be higher.

Mayor Hudson said was it broken up?

Mr. Cisneros said yes I don't remember the map exactly as I did look at it earlier today, but I think she is in the city and it's broken up in that Paradise Park area, it's broken up pretty good.

Chairman Fee asked any other discussion?

Mayor Hudson said I have one more suggestion. Jacob Williams made a presentation to the City of Fort Pierce on July 19 I think and it was the accomplishments of FPUA from the standpoint of FMPA and it was a really positive presentation and so I wondering….I had talked to John preliminarily, but I was wondering if you have given it any more thought for Jacob to give the same presentation to our board.

Mr. Tompeck said yes I have. I've talked to him today and he's going to try to get it on his calendar as soon as possible.

Mayor Hudson said again we may want to wait to have at least one more board member.

Mr. Tompeck said we can do that and he may be able to give us more information on what he thinks is going to happen on the natural gas market which is important for our rates.

Mayor Hudson said it was a very uplifting presentation and they made me very proud of the FPUA. Then Tom Perona went to the FMEA meeting and he said he gave a presentation which he led off with all the positive about FPUA, so I just thought we should hear it too. I mean we know

all the information, but we get it in different dribs and drabs and so this was kind of a marketing presentation and it was excellent!

Chairman Fee said no further discussion the meeting is adjourned.

There being no further business, the meeting was adjourned at 5:37pm.

ATTEST:

Kristina Gibbons
SECRETARY

Frank H. Fee, IV
CHAIRMAN