MINUTES OF A REGULAR MEETING OF THE FORT PIERCE UTILITIES AUTHORITY, TUESDAY, AUGUST 17, 2021, 4:00 P.M., CITY COMMISSION CHAMBERS.

Members Present: Chairman Frank H. Fee, IV; Vice Chairman Kristina Gibbons, Secretary Glynda Cavalcanti; 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 H. Fee.

Opening Prayer was by Carol Wilson of FPUA, Human Resources.

The Pledge of Allegiance was recited.

The roll was called and a quorum declared.

Swearing in of new Board Member, Barbara Marshall-Bennett, by Linda Cox, City Clerk. Ms. Bennett held up her right hand and swore under oath the following: "I, Barbara Marshall-Bennett, a citizen of the State of Florida and of the United States of America, and being employed by or an officer of the City of Fort Pierce, a recipient of public funds as such employee or officer, do hereby solemnly swear or affirm that I will support the Constitution of the United States and of the State of Florida."

Mrs. Cox had her sign the oath and congratulated her. The Board also congratulated her.

RECALL THE ROLL.

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

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

A motion was made by Mrs. Gibbons, seconded by Ms. Cavalcanti, and unanimously carried to approve the Minutes of the Regular Meeting of August 3, 2021.

Chairman Fee asked are there any comments from the public? If so, please come to the podium and state your name and address for the record and I believe you have three minutes.

Mr. Rick Reed said 2625 S. US 1, Fort Pierce, FL. I'm a customer of the Fort Pierce Utilities Authority. My bills run around $6,000 a month and I was looking at some recent emails that were sent in regard to my account and in regards to me. One where I made a public records request and the Executive Director responded with regards to that and said "please assemble the package and we will assemble the package and send them to Rick Reed. He's the gift that keeps on giving." What did you mean by that? I know you're not going to answer. Just ignorance. That's how you treat a customer. About $75,000 a year.

Then there were other emails. There was an email sent from a Board Member to all of the other Board Members through the attorney and the headline was, of which our mayor responded, the subject matter was strike back.....strike back. "If Rick Reed starts on us tonight at the Commission Meeting I plan on reading the attached document and article from the Tribune and other information relating to the amount of money he has cost the city and his attempt to be a concerned citizen." You all couldn't carry my shoes to the outhouse in what I contribute. How dare you all and I want to tell you something, all the Board Members who are done, the Mayor serves on the League of Cities, I looked it up just a little while ago. If a majority of the board are included in any email related to the city business is the open public meetings act violated? Ya'll have voted on me several times. Yes, there's a likely violation of the open public meeting, if quorum of the board exchanges email in which public business is discussed. You must have been medicated that day.

Then there's another one -- there's another one from Speedy Fee. "Linda, I was very pleased at your presentation. It's apparent to me that the former manager struck a political alliance to the disadvantage of the authority and then tried to stonewall and cover up the Board Members specifically questioning the facts. Reed's cancer spread to the Fort Pierce Utilities Authority seems curtailed for the time being." Good job Speedy. Then the Mayor responds back, "Madam Chairman did an excellent job in showing in great detail that something was rotting in the State of Denmark. I will be able to sleep better tonight. Thanks for reaching out."

You know what, ya'll are an embarrassment to this community. You know, you're going to send a news article out to embarrass me with ya'lls character and background. Ya'll shouldn't be throwing stones at anybody else. You should be ashamed of yourself, but you don't have the character to do that. Rats will tell and shit will smell.

Ya'll kiss their ass cause ya'll work for them. Hey, Commissioner Johnson.

Chairman Fee said that was entertaining. Any other comments?

Chairman Fee said alright, anybody want to make a move for the consent agenda?

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

1. POA No.: 21-68 Approve the Continuing Contract for Professional Engineering Services for Financial Matters and other projects, with Dewberry Engineers Inc., of Fairfax, Virginia. The term of this Contract shall begin on August 18, 2021 and end on June 30, 2025, with unlimited five year renewal options, contingent upon receipt of the required Certificates of Insurance.

2. Approve agreements for AMI Repeater Pole Attachments with (1) Garber Ft. Pierce, Inc. dba Garber Buick GMC of Ft. Pierce, of Fort Pierce, Florida, (2) Nelson Family Farms, Inc. of Fort Pierce, Florida, and 3) White City Rentals, LLC of Fort Pierce, FL, in the amount of $240 per attachment per year. The term of these agreements is for a period of five years with unlimited one year renewals; and approve the Director of Utilities to sign any similar Pole Attachment Agreements for AMI Repeaters with similar terms as the attached as may be needed in the future to support FPUA's ongoing AMI rollout.

3. POA 19-11A: Approve Amendment 2 to the Substation Transformer Replacements - Services Contract with ABB Enterprise Software, Inc., of Cary, North Carolina, for additional design enhancements requested by FPUA and to increase the not to exceed amount by $3,025, from $348,141 to $351,166.

Chairman Fee asked do we have any letters of appreciation?

Ms. Sabota read the following letter of appreciation into the record. We received an e-mail from customer Sid Joyner thanking system operator Jennifer Krip for her professionalism and assistance and going the extra mile in restoring service to his home.

Chairman Fee asked is there any old business to discuss? We will move forward to new business.

Mr. Tompeck said thank you Mr. Chairman. The first item this afternoon is an information presentation by Javy Cisneros on the Utility Advisory Board. This is a concept we've discussed with Commissioner Curtis Johnson during some meetings a few months ago and we're looking for your input and comments on the concept.

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

Mayor Hudson said could I interrupt you. Are you going to have a PowerPoint? Are you doing anything? I have lost my monitor.

Mr. Cisneros said my presentation today will be reviewing the proposal for the Utility Advisory Board which I will refer to as the UAB. A good place to start is the mission statement. The mission statement reads *to provide a forum where citizens can identify issues and concerns with FPUA operations, policies, and procedures.* I think it's important to talk -- to let the Board, City Commission, and also the Utility Advisory Board to know that this is intended to be an open dialogue forum. So that the Board Members

can talk about any issue related to utilities and utility operations. Specifically, we highlighted some topics, but again these are topics that they can bring up themselves and bring forward to the Board. Public relations, business concerns, community outreach and any topic of special interest. The idea there is to provide some input from the Board and from the UAB so they can recommend changes, policy changes, to the FPUA Board. I think it serves as a great opportunity and also lines up with our 2018 Strategic Planning Session where we identified community engagement so the UAB gives us the opportunity to do that by reaching out to our citizens, learning and getting information from them so we can learn about their concerns. It's important for me to note that the UAB shall not have any authority over the FPUA Board or FPUA staff. It's not a policy making body. Their purpose, and we'll hit on that in a little bit, their purpose is to make recommendations for policy changes and procedures so they can be brought before the FPUA Board for review and approval.

Some of these bullet items that you will see on this slide here will look familiar especially if you are involved in any type of utility advisory board or advisory board in the past. We've taken some of these bullet items from the Park Advisory Committee, the Police Advisory Committee and some other advisory committees from other municipal utilities in the state.

So what is the purpose of the Utility Advisory Board? It is to be an advisor to the FPUA Board on policies and governances of the utility services and operations. What things do we do that we do well? What things can we do better? The UAB will be made up of nine initial members. The Mayor will appoint one. Each City Commissioner will appoint one and each FPUA Board Member will appoint one. With the Mayor serving on both she will only get one appointee.

Mr. Cisneros said we'll have the chance to change that now if you want to. For the FPUA Board it seems pretty straight forward because this follows the other advisory committees that the City has. That is that each UA member would follow the term of the sponsoring FPUA Board Member. When we present this to the City Commission, which we will do so at the next available meeting, we'll talk to them about what they want to do for the City Commission. They can serve longer than the 8-year term if they are elected. We'll figure out what they want to do as far as what the time frame may be for the people that they appoint. It's possible we will combine the two. We will stick to maybe an 8-year term if so desired by both the FPUA Board and City Commission so everyone has the same time frame for being on the UAB. It will take five members for a quorum. If there are not five members you can still have a meeting they just won't be able to vote on anything for action.

You will have the ability to add additional at-large members. The UAB will have the ability to add additional members, but at no point shall it exceed 12 members. All members must be an FPUA account holder. They can have one account or multiple accounts. They have to be an FPUA account holder and they don't have to live within the city limits as we do have a large customer group that lives outside the city limits.

Members shall not be an elected official or employed by FPUA or the City of Ft. Pierce. Attendance is required. It's pretty similar to the other advisory committees, if you miss more than three consecutive meetings then you would automatically be removed from the UAB and any vacancy would be filled within 90 days. It's important to fill the positions so the UAB can continue to operate. We want to make sure that doesn't dwindle down to smaller numbers. It's important to make sure those positions are filled once those positions are vacant.

How is the UAB supposed to operate? Currently, we have it set for the second Wednesday meeting twice a month or every other month. Whatever works for them. We're trying to focus on letting them determine how they want to operate. The meetings will be open to the public and we'll recommend that they appoint officers and part of that is making sure that the meetings start on time, end on time and every member in the UAB has a chance to speak. They will elect a Chair, Vice Chair and Secretary. If they are not able to elect a Secretary then we will provide an employee so they can take minutes and record those minutes.

Like the other advisory boards, a UAB member may be subject to removal for malfeasance, misfeasance or nonfeasance and that's straight out of the City Charter. It's important for the Board to understand that FPUA staff will not run the meetings. We will support the group as much as possible. We will provide information they request or provide any background they need on the way the utility operates. We will not run the meetings and we will only operate -- we will only participate if requested by the UAB.

You saw this first bullet earlier. I will hit on it one more time as its important. The idea here is to make sure the UAB is an open dialogue forum so that they can provide input, bring it to the Board for change and provide the staff the background on why some of those things are important for the citizens and the issues they are really concerned about.

So what are the other responsibilities that they'll have is making presentations to the FPUA Board and City Commission. Again, we just identified quarterly or semiannual. It could be up to them on how often they want to do it. They could do it every month, again we'll leave that up to them. They will have to record minutes of the meeting because it will be subject to public records requests. Again, if they are not able to find somebody to take the minutes, we'll provide them a staff member to take the notes.

The next steps John and I talked about earlier today will be presenting to City Commission so the City Commission is aware that the UAB is in progress and also look for some feedback from the City Commission on term limits and any other items they would like to add to the UAB. After that we will prepare a resolution for the FPUA Board to approve. Then the Board and City Commission will select the initial nine members of the UAB. Then we will look at working to identify a location and time that will work best for them so that it is open to the public and can be an area that is welcoming and convenient for the UAB members and for the public.

We hit on some of the benefits and I really want to highlight the next two. I talked about community engagement. FPUA is really good at running a utility. We do that very well. One of the other skillsets we need to develop is learning how to work with the community and learning how to work with the citizens on getting their feedback on what things we do well and what things we could do better. One of the other benefits -- I think this is really important for the City Commission -- is that the UAB, if a member of the UAB serves more than a year, they will become somewhat familiar with the way FPUA operates at least we hope so. That's an opportunity for the City Commission to see some of the individuals that are participating in the UAB or have been appointed to UAB because they are civic minded individuals. They're typically going to be champions of their neighborhoods or communities. The City Commission will now have an opportunity to look at nine potentially 12 members to pick from to appoint to the FPUA Board. I think that's a great benefit and this is an information item only. Looking forward to your feedback and happy to answer any questions you may have.

Ms. Cavalcanti said I have a question. All right. On one part of this at the very top it says "to provide a forum so citizens can identify issues" then another part says "that it is rate payers" or some other word like that. I'm wondering is this for citizens of the City of Ft. Pierce or I think it said one of the requirements is you had to be a rate payer or something like that.

Mr. Cisneros said to answer that question. It will have to be a rate payer.

Ms. Cavalcanti said to be on the FPUA Board you have to be a citizen of the City of Ft. Pierce.

Mr. Cisneros said the UAB will not require it to be a citizen of the City of Ft. Pierce, but the FPUA Board will. The City Commissioners can pick those people who are potentially eligible to serve as an FPUA Board Member. So not all the members of the UAB will be eligible to be a FPUA Board Member.

Ms. Cavalcanti said okay. That was my question.

Ms. Bennett said I have a question. My concern is will the meetings be held at a time that the public will be able to attend?

Mr. Cisneros said we can provide some of that input to the UAB, but it most likely will be up to them to determine what works best for them. If the majority of the members of the board are not retired or if they have to work during the day then those meetings may be at night. It may be whatever works best for them. We can work with them once the members are selected to determine what works best for them on time, day and location.

Ms. Bennett said also the location. Will it be set at the place that you know the people that don't have transportation will be able to attend? Will it be in a central location?

Mr. Cisneros said we don't know yet. I would imagine that maybe in this room here. I don't know if this room can host 12 people. We will make sure that we try to find somewhere that provides public transportation -- a location where public transportation is a stop. That location is part of the public transportation stop.

Chairman Fee asked Mrs. Gibbons do you have a question?

Mrs. Gibbons said I'm actually very excited about this. I think it's great not only for us to get feedback from our rate payers, but also a great way for us to share what we do for the community as well. So I think this is going to be a great effort in both regards for communicating with everybody that's out there. I'm looking forward to it.

Chairman Fee said I think you're right. I think there's absolutely an opportunity for us to learn from the rate payers and also for us -- if there's an opportunity that we can maybe teach them a little bit about the way the utility operates. It's a win-win opportunity for sure.

Mayor Hudson said I have a question. You said it's an open meeting, is it going to be covered by Sunshine?

Mr. Cisneros said I'm not sure. I will have to go back and look at that. Maybe talk to Mr. Koblegard and Josh.

Mayor Hudson said we will need to look at that because Ms. Bennett's question about the location if it is subject to open meetings and public notice and you have the public and they're able to attend, be able to know about it and if there are public records, then you know that gets very involved and a lot of people roll their eyes. Honestly, the state takes that very seriously. We need to make sure that everybody, if it is covered by Sunshine, that everybody is educated in that and what they can and cannot do.

Mr. Cisneros said those specific bullet items I took out of the park advisory committee from the City of Ft. Pierce. You know, I will go back and revisit that and maybe talk to Mrs. Cox, Mr. Koblegard and Mr. Gang.

Mayor Hudson said the City of Ft. Pierce is covered by Sunshine. In the public records act, public notice and all that entails.

Mr. Cisneros said yes, quite a bit of work.

Mayor Hudson said so they just need -- if your citizens are going to be involved they need to know what they can and cannot do. But, I think this is a great idea and it's a great way to have two-way communication which we don't. I guess pretty much the two-way communication is through customer service. I mean, but beyond that, I don't know how that works. I think this is -- will expand our education ability and our ability to serve our customers.

Chairman Fee said I have one question. These board members, are they going to be educated about the utility itself? You're going to put them in front as advisory capacity, hopefully we're expecting to have a two-way communication between themselves and other the rate payers. How are they going to represent the utility?

Mr. Cisneros said that's a good question.

Chairman Fee said they are going to be very fresh to this like we are.

Mr. Cisneros said John and I actually talked about that a couple of times about what we should do if the UAB decides that they would really like an intro into FPUA. We can give them an intro to FPUA so they would get to know the facilities, get to know the way we operate customer service, water plant, wastewater plant, electric operations so we can give them a crash course. We can discuss that with the group during the initial meeting. We want them to tell us what they want to do and what they want to get out of the UAB. So if they want an education/intro course we can definitely do that for them.

Chairman Fee asked any other questions?

Ms. Cavalcanti said Mr. Koblegard has something.

Mr. Koblegard said I'm thinking right now it definitely falls under the Sunshine. I'll go back and research it again, but I'm pretty sure that will be the case.

Mayor Hudson said that's no reason to scare anybody off. You just have to know what you are supposed to do and not supposed to do. I think in the process, take the Police Advisory Board, what they did was they spent a lot of time learning about the operations of the police department and why police officers do what they do and how they deal with people in the community. The average citizen doesn't think about what the professional day is like in the life of police officer.

Chairman Fee asked any other questions? Thank you. Next item.

Mr. Tompeck said the next item requests approval of an amendment to the unit price contract with Mastec for water/wastewater system work and Mark Kobbe will make the presentation.

Mr. Kobbe said good afternoon, thank you Mr. Tompeck, Mr. Chair and Members of the Board. I'm here today to request Amendment 1 to the annual unit price contract for additional funding in the amount not to exceed $900,000 taking that from $1.5 million to $2.4 million ending on September 30, 2021. This is for repairs that are in the water/wastewater underground utilities and contractor Mastec North America Inc. of Coral Gables, Florida. Over the last quarter and throughout the year we've experienced an unusual number of large emergency repairs. As a result, we do still have some that are needed on the books that are required. So we are needing additional PO money to take care of that.

In water distribution on their side, they have had some unusual repairs, but a lot of theirs is due to utilizing their crews to work with the AMI project and not having their crews available to just basically take care of repairs that typically they would have handled in the past. Therefore, I request approval of Amendment 1 to the annual unit price contract for additional funding in the amount of not to exceed $900,000 taking it from $1.5 million to $2.4 million for the remainder of this fiscal year.

I'm here to answer any questions if you have them.

Chairman Fee asked any questions?

Mrs. Gibbons I have a question. At what point do we put this back out for bid? How does that process work?

Mr. Kobbe said our unit price contract is bid every year. It basically will go back out to bid at the following year.

Mrs. Gibbons said okay. So we selected Mastec at the beginning and they gave us a.....

Mr. Kobbe said a unit price for the work that's performed so that contract is not changing at all. All we're doing is asking for more funds to go towards the original contract.

Chairman Fee asked any other questions?

A motion was made by Ms. Cavalcanti, seconded by Mayor Hudson, and unanimously carried to approve POA No. 20-50: Approve Amendment No. 1 to the Annual Unit Price Contract for the Installation of Underground Utilities for Water and Wastewater Systems with Mastec North America, Inc., of Coral Gables, Florida, to increase the not to exceed contract amount by $900,000, from $1,500,000 to $2,400,000 annually.

Mr. Tompeck said the next item is the June 2021 Quarterly Financial Operating Results. Barbara Mika will make this information presentation.

Ms. Mika said thank you Mr. Tompeck and good afternoon Chairman, Mayor and Board Members. I would like to present to you today the financial operating results for the quarter and the year ended June 30, 2021.

The financial highlights for the nine months to date for fiscal year '21 are year-to-date operating revenues through June were $75 million dollars. This brought an increase of about $2.2 million over the same nine month period for last year. We experienced increases in unit sales for all systems during the month of June along with an addition of $247,000 to the year-to-date operating revenues for residential and general service sales.

Our operating expenses increased in comparison to the first nine months for fiscal year '21 of about $1.6 million and that was primarily due to increases in purchases for resale, depreciation expense, bad debt expense, and utility expense.

The combined effects of these increases in revenue and expense brought and overall increase in our year-to-date operating income of $528,000 dollars. Our capital contributions for the first nine months of 2021 were greater than the prior year by $2.6 million and that came in the form of water and wastewater capital improvement charges and noncash contributions from developers for the year-to-date. The distribution to the City, which was paid in April, after adjusting for the three months of expense for June year-to-date the increase in our net position was $3,053,000 over last year.

This is our three month comparison of year-to-date electric revenues adjusted for the cost of purchase power and is shown in relationship to consumption. Fiscal year 2020 consumption was down 1% from the previous year with the adjusted revenue down also by 3%. The current year-to-date 2021 the adjusted revenue and consumption were both up by 3% compared to the same period last year. The cost of our purchase power for the last year was $2.5 million dollars savings over 2019. The cost comparison of electric purchases resale for the current year-to-date so far is on par with last year's.

The fiscal year 2020 water services bill and operating revenue were up nicely from 2019 with steady increases in both unit sales and revenue. Fiscal year '21 year-to-date services billed and operating revenue continue to trend up with consumption higher by 5% and operating revenues up 6% when compared to last year.

Taking a look at the wastewater operating revenues while gallons billed increased slightly in 2020 the revenues did fall short for the year-over-year comparison and that was due, as said before, the capacity of reduction that we experienced in 2019. In the current year, the nine months to date the wastewater gallons bill increased nicely by 8% with operating revenues greater in this comparison by $565,000 year-to-date which is a 6% increase over the previous year.

Our fiscal year 2020 natural gas operating revenues that has been adjusted for the cost of purchase gas along the comparison show a small increase in the adjusted revenues of 1% and a similar increase in consumption of 1% from the previous year that was mostly in general service sales. In the current fiscal year 2021 revenues and consumptions continue to rise over the prior year. Adjusted gas revenues were greater by 6% with the year-to-date consumption also higher by 6%. The cost of gas purchased for the nine month period reporting experienced an 8% savings in the cost purchase gas in fiscal year 2020 over the previous year that was the savings of $332,000. The cost of gas purchased for the first nine months of

this year has returned to the 2019 levels with an increase of back to $358,000 or 15% in comparison to last year.

The debt service coverage ratio is the ratio of the 12-month average net payable, net available income to our current debt service for the 12 months ending June 30th the debt service ratio is 3.27. The ratio for the 12 months ending September of 2020 was 3.16. Our bond covenence require that we have a minimum ratio of 1.25 and we are within our compliance for our debt service coverage.

That's my presentation for your information. If you have any questions please let me know.

Chairman Fee asked do any of the Board Members have any questions? Thank you.

Mr. Tompeck said the next item are the Bill Comparisons for the month of June and Michele Harris will make the information presentation.

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

This first graph shows the comparison of residential electric rates for 1,000 kilowatt hours of consumption for the 13 municipal utilities which are members of the All Requirements Project. They are displayed and ranked based upon their base bill amount. Our June rates at $104.84 shown with the yellow bar brings FPUA with the second lowest in this group. This graph displays the comparison for that same level of consumption of 1,000 kilowatt hours, but includes all the municipalities in the state. FPUA's June bill at this level of consumption brings us 6th lowest in comparison to the other 31 municipal utilities. We tried to find out when the last time we were this far left on this chart. We have data that was at our finger tips for the last 15 years and we have not been able to say I think the lowest I found was 8th. So we're very excited to be this far left on the chart. Primarily this might be due to the June 1st reduction in the $4 reduction to the PCA as well as 12 of the 31 other municipal utilities implemented rate changes.

The overall impact of these rate adjustments resulted in a small decrease of 19 cents for the ARP average and a decrease of 7 cents for the municipal average.

This graph presents a similar comparison, but for the consumption of 2500 kilowatt hours. FPUA's June bill at $264.80 ranks us the 10th the lowest among this group which is also very exciting. FPUA's rates for both 1,000 and 2,500 kilowatt hours still makes us fall below the ARP average, the municipal average, and the IOU average.

This table displayed is the June comparison for the average residential utility bills on the Treasure Coast. FPUA's utility bill for all three services provided are inside city limits and as shown in the first column in blue. All other bills in this table have electric services by FP&L and wastewater and water services by the localities provider. This includes FPUA's $4 decrease in the PCA as well as Martin County utilities are recently effective June 1st and had a $1.79 increase to water and sewer.

This item is presented for information only. I will be glad to answer any questions if you have them.

Chairman Fee asked are there any questions?

Ms. Cavalcanti said I will make a comment. I would like to say thank you to all of you who have made this very competitive. I think it's a great job.

Mayor Hudson said the numbers haven't looked this good since I've been on this Board.

Ms. Harris said thank you.

Chairman Fee said good job. Thank you.

Mr. Tompeck said the next item is an update on the natural gas rate stabilization fund and we're requesting an increase of 7 cents per CCF effective September 1. Craig Crawford will make the presentation. It can't all be good news.

Mr. Crawford said sorry to bring the bad news. Thank you Mr. Tompeck, Chairman and Members of the Board. Welcome Ms. Bennett glad to have you.

I bring before you today the natural gas rate stabilization fund update for July of 2021. The staff has rerun the sensitivity analysis which includes the June actuals and preliminary data for July. Natural gas prices have been on the rise since April of 2021. The price of natural gas over the last few months has averaged about $2.98 a dekatherm. The week ending July 16th saw storage injection of 49 billion cubic feet. Following the more robust injection, the storage levels remain within the 5 year average, but 6.2% lower than the 5 year average. Injections remain low this year as high demand for gas, power burns and pipeline exports remain at near record levels.

The July curve reflects the increase in the PGA which was approved by the Board on March 16, 2021 for negative 19 cents a CCF to negative 10 cents a CCF. You will note with the supply and demand issues the price of gas is up more than $1.25 since the beginning of March. The RSF is now below the operating range and projected to decrease throughout 2021 and 2022. Based on the current RSF status, staff recommends an increase to the PGA of 7 cents per CCF, from negative 10 cents CCF to negative 3 cents CCF effective September 1, 2021. Although staff recommends an increase to the PGA, the PGA can remain the same if the Board so desires.

Any questions for me?

Mr. Tompeck said this is some of the information we've been talking about. We talked about it last month that the forward curve is pretty steep in the winter and looks like you know as far as the futures are concerned after the winter it should flatten out a little bit. It's the natural gas market so you never know, but the futures through the winter are over $4. That's what is causing this and unfortunately the discussion we will be having at the next meeting about the PCA is also going to reflect what's happening to the natural gas market.

Mr. Crawford said if you will notice even with the change prediction throughout the winter months we're going to be under collecting a little bit and still not picking our collections back up for the summer. Hopefully, we'll be able to come back with a decrease in the PGA midyear 2022.

Mayor Hudson said at least it's still in the negative.

Ms. Cavalcanti said yeah, it won't be for long.

Mayor Hudson said I would be willing to move for approval.

Chairman Fee said is there a motion?

A motion was made by Mayor Hudson, seconded by Mrs. Gibbons, and unanimously carried to approve an increase to the PGA of 7 cents per CCF, from negative 10 cents CCF to negative 3 cents CCF effective September 1, 2021.

Mr. Tompeck said the next item is a presentation on a progressive design build concept that we've been working on that we think would work very well for the WRF relocation project. Bo Hutchinson will start the presentation and he'll introduce the other consultants that are with us today.

Mr. Hutchinson said thank you Mr. Tompeck. Good afternoon Mr. Chairman, Members of the Board and Ms. Bennett welcome to our FPUA family.

I'm very excited today to bring this information to the Board in this presentation and being able to capitalize on the momentum that we've had with this project here recently. This has been a goal that FPUA has been working on for literally my entire career and we are moving right along now. I'm very excited about that. The Board and the City Commission has made it very clear that they want this plant moved and they want it moved now. The State of Florida has made it clear that they want this plant moved as quickly as possible as well and they have now named the Indian River Lagoon as one of Florida's protect waterways, which to this endeavor, is good because it could potentially release even more environmental grant money as we go forward.

So I'm going to go through a little bit of information with some time frames for a few different options and then I will introduce Mr. Gandy to tell us all about the progressive design build process and then Mr. Seth Robertson to discuss the state and federal grant opportunities as well as some of the other super low interest financing that's available to us right now.

No presentation on this topic would be complete without my shameless commercial. So these are the steps that we have taken towards the MWRF over the last years and this has put us in a very good position to move forward with this relocation now. We purchased the property for the plant site itself. We've also purchased property for a master re-pump facility near the intersection of Orange Avenue and Jenkins Road. We've constructed two deep injection wells which if you look at the $12.5 million dollars there I can assure you it's almost twice that now. So there's a very good value to the project that was expended years ago. The plant was originally designed back in 2006. We stopped with that. There's new technology that we will be evaluating as part of this and also looking for other efficiencies that we will keep moving forward with that. The 24" force main along Jenkins Rd. the northern portion of that has been constructed. That is the main trunk line that will carry the wastewater to the new plant. We purchased and installed an emergency generator back in 2019. The plan for that generator is to move it to the new site as well along with the fuel tank and also the automatic transfer switch. So we will be able to recover a lot of that investment. We've constructed the western portion of the Orange Avenue force main and we're working

on the downtown force main now all the way into Lift Station A. Just one more little comment on that is, that this is not new to us. This is something that we've been planning for years and all of our wastewater infrastructure that's been put in literally over the last 18 years has been done so with the thought of the location at some time in the future.

The option in front of you here is a progressive design build. This is the staff's recommendation for moving forward. The progressive design build would be broken into two phases.

The first phase would take about six months to complete and that would get us to a decision point. At that decision point we have one of three options that we can keep moving along this path. At that decision point we will have a 30% design. We'll have a very good cost estimate. If you recall the high level cost estimates that we did early on they had very large contingencies in them. That was the direction to the consultant to look at this and give me the broader review so we can get the process started. This will get us much closer that point. We will be able to apply for our permits at this time and the further down the road we are with this the better our chances are for being able to get grants.

At that point, Option 1 we just keep moving right with it. We keep the pedal to the floorboard and we move right on to the progressive design build Phase 2. From there, in or around four months, we will be able to see a guaranteed maximum price. The more contingencies we'll have a real number. We'll be working on the final design concurrently as well and then we've allowed 24 months to construct. That puts us at a 3-year time line to potentially commission this plant.

Option 2, if for some reason we aren't happy with the team that we've selected, we can put this out for a request for qualifications and then a request for proposal and we can select a new design and construction team to go forward. That does cost a little bit of time as we'll have to go back through the procurement process and that puts us out to about 4 years. Even at that point the original effort from the progressive design build, the first phase, is still very useful. That takes us through all of our technical aspects. There's a lot of vetting of the technologies. A lot of that stuff will already be done. I won't get too deep into it, that's what Paul's going to do, but that will be useful going forward.

Option 3, if the environment is favorable for it we can put this out for a P3 at that point. If there's some reason that we can potentially gain some traction for that. Again, the information that is done and the first phase of the progressive design build will be very useful and it will give us a very well defined – I completely lost the word on that, but we'll have all the information that we need to select the right program going forward.

If the Board does not direct us to move forward with that, we can start the selection process from scratch. We can go straight into the RFQ and RFP process. The only downside to that is we will have a very limited design criteria package. We will still have to go through the same technical selections as we would have early on in the progressive design build phase one. Also, we could put it out for a P3 up front with a limited design criteria package. Both of those options hover right around the four-year point.

I would like to introduce Paul Gandy, he is the President and CEO of Globaltech. I'm sure the Board is very familiar with that name. They've done many, many successful projects with us over the years. They've been a very valuable member of our team. Mr. Paul Gandy brings over 30 years of experience in the consulting engineering business. He's a pioneer in the use of the continuing design build process mostly

in the south Florida market which is a very challenging market for things of this nature. Their areas of expertise include everything from planning all the way to the actual construction piece of the water and wastewater facilities like ours. He's a state certified general mechanical, plumbing, underground and utility excavation contractor. So a lot of this work they'll be able to do in house as well as put some of it out. He's also a certified design build professional by the Design Build Institute of America.

Mr. Gandy said thanks for the introduction. It's a pleasure to be back in front of the Board once again. I love to come here and talk about one of our favorite subjects which is the design build delivery method. The design build method is not new to Fort Pierce, a utility, or Globaltech. We've worked for you folks for over 15 years now and at that time we've delivered approximately 51 design build projects over that 15 year period.

To date Globaltech has delivered over 300 design build projects. I'm not going to assume that everyone knows what design build process is so I'm going to spend a few slides talking about that. Design build is where it's a collaborative effort between the designer, the contractor and the owner to develop the project verses the design bid build model which is much more linear. You develop engineering plans and specifications, you go out for bid, you select the low bidder and then construction starts. The design build method is preferred for not only schedule and delivery, but also for the collaborative nature of the project.

Design build in this particular market water and wastewater - the FMI Corporation did a market survey for the Design Build Institute of America from 2018 to 2021 and we're almost through 2021 now, but they projected 28% of the wastewater and water market would be done within the signed build delivery method. I suspect that's on track for 2021. I can tell you that in the south Florida market, these types of projects are routinely approaching the $80 to $100 million dollar mark. There are at least four in our market right now. All of those are all done with the progressive design build delivery method and I will explain the difference in that shortly.

The primary reason for that is the delivery schedule, as I mentioned, it's a much faster process. It's also an opportunity for collaboration between all of the stakeholders, owners, operations folks, engineers and the contractors to come up with innovative approaches and realize some cost savings. Drilling down into that information, the design build and you will see in this schedule that we provide, drilling down the construction is typically 36% faster. Overall project delivery can be as much as 50% faster and just due to some of the dissatisfaction and the typical delivery method with design bid build utility owners reported the satisfaction with the adversarial nature of that delivery method which puts, in this case, would put FPUA in the middle of process. It's a limited opportunity to fast track the process. It's a higher risk profile for the owner typically.

Some notable quotes were once you lived through the low bid environment it's not hard to see the benefits of the design build. Another benefit is cost certainty. In low bid you get the low bidder, but typically you see anywhere from 4% to 6% in change orders throughout the life of the project and the fees that are associated with those change orders. With the design build method those change orders are typically 1% or less. Sometimes they are almost nil because you're developing those costs together and you're tracking the cost and making the important decisions along the way.

From a collaboration standpoint it brings FPUA, the contractor and the design professional into the process at the very start. Everyone is contributing what they know about their particular expertise and what your wants and desires are not only from the ownership, but also from the operation standpoint. It's basically an incubator for continuous value engineering as you vet out the necessary processes for the plant. It also offers FPUA transparency into the cost proposal development and I will discuss the first phase of the project where you typically develop the project and go through the cost estimating and show you how the sausage is made.

Another great benefit is identifying and allocating risks that are in the project. There's a saying that contractors don't assume risk they price risk into the project. Part of that first phase of development project is determining what the risks are and how you may allocate those risks between FPUA and the design builder and you realize cost savings is a result of sharing those risks.

One of the questions we get is how do I know I'm getting the best value? Selections are qualifications based first. They are also based on the strength of the company, the experience of the design builder, their finance wherewithal and their technical capabilities. It's not based just on the low bid. As I mentioned, collaborative team members develop the scope and the cost from the start in the process. Also drilling down into that cost certainty through accountability the owner and the design builder share the competitive vendor quotes. You see where the quotes are coming from. You have contracted rates and markups that are open to you. The owner shares in the evaluation of the alternatives that are involved in selecting the components of the plant. Also, where appropriate, the design builder will put out bid packages so the owner sees those bid packages to either the community or subcontractors, but they also have capability to self-perform and one of the reasons for that is it's qualification space. You select the design builder based on their quality and experience. So you want them to perform the work and control the quality, but also bid out the packages where necessary. At the end of that process you come away with a guaranteed maximum price or a lump sum fee before continuing on in the project. So you have a chance to negotiate. I'll talk about that pause in the contract.

Just looking at the design bid build model. This is typically a very linear process and it's a multi-contract process where FPUA contracts separately with the design firm. They develop plans and specifications at the 100% level and puts it out to bid. Then FPUA would hire a contractor. The FPUA basically becomes a traffic cop in that they're managing both contracts. It places a heavy demand on the owner's resources because they have to manage multiple contracts. All the communication is through the owner and there's a greater risk for the owner. It also typically limits collaboration between the design firm and construction firm because you don't know who the construction firm is until you're a year into the process or more and you bid the project.

In the design build it's a single entity purpose built team that's formed specifically for that project and has a singular contract with FPUA. It's a single point of responsibility and liability to deliver the project and they contain both the construction professionals, project management professionals and the design professionals under one entity. This has the effect of leveraging the owner's personnel to manage larger and more complex projects. That's why we see a lot of these larger projects going to the design build method. It's a benefit to the owner to have one company manage the process. Although it's a fairly transparent process as you develop it. Again you are choosing a team that has the financial, project management, technical wherewithal to deliver the project. You also are choosing a design build entity

where all the members of the team have made what we call the mental shift to design build. It's a different collaborative less adversarial relationship and in fact FPUA has already made that mental shift to design build because you've been employing that method with us for over 15 years. This just takes it to the next level for the commensurate size of the projects that you're contemplating.

As I mentioned, it's a two-phase project. It's a single contract. Phase 1 is what is called the preconstruction and predesigned services. Phase 2 is an amendment to the contract and it has both parties agree to a pause in Phase 1...at the end of Phase 1. In Phase 1 is where we do the 30% design. Which is basically we characterize your wastewater, we look at your site and your demands, your particular regulatory requirements and also other facilities you're going to have on the site such as admin, operations in addition to just the treatment plant. We look at all the processes that are applicable to what you need to meet your reuse of requirements and your treatment requirements. We don't go into it with blinders on and say we will give you this one treatment process. We vet the ones that are applicable to FPUA and at that site.

As a result of that, we work with the folks. Typically we work with the owner to develop a definition of what that plant is going to contain so that when you move on the final design now all your critical decisions are made. The great part of that is you're producing a document which we call the basis of design report. That memorializes all of the decisions, but it is a starting point to initiate additional funding, to search for funding and grants for the project. Now you have a more definitive cost and also you can start the environmental permitting part at that point. This is typically a 5 to 6 month process where you could actually start applying for environmental permits based on the definition on what's going to go on the plant site.

As Bo mentioned, what you have now in your rate study is a 30,000 foot conceptual level cost estimate at the plant. At 30% you start to narrow it down. You still have contingencies because you are at 30%, but you have a much better definition of what the cost of the plant will be. That will help you going forward to look for funding. While that's going on we proceed to 60% design phase. The 60% design means we've literally done 60% of level complete drawings and the reason for that is we now have enough of a definition of the project so that the design build team can put a cost to it. They can commit for the rest of the project and that's where we develop either what we call the guaranteed maximum price or the lump sum fee. At that point, we have a choice. We can either negotiate that fee or continue on by amendment to Phase 2 for the final design and construction of the project or you have a built in pause if for any reason and I'll cover what some of those may be, you can off ramp the project and leave the project and we're done at that point.

So Phase 2, if we move on to Phase 2, we're granted the contract to go on to Phase 2, that's where you start your early work package which can be site development which gives you a jump on the construction of the project. You complete the final design, but you have an overlap. You are already starting construction of the project and particularly in this market early procurement of long lead items that go into the treatment plant. Because if anyone is familiar with the supply chain issues that we're experiencing globally right now it's extremely difficult so this gives you a better jump on the schedule.

Just looking at those Phase 1 milestone options, one is to accept the Phase 2 proposal as submitted. We've all developed it collaboratively typically. If we don't, we would negotiate those with an owner and if we

arrive at an agreement then we continue on to Phase 2. For various reasons you may want to off ramp the project....off ramp you could just cancel the project. That's very similar to what you did in 2007. You had a design for a wastewater plant, but if anyone remembers how that market was we had thousands of housing starts just disappear overnight. The market crashed and there were a lot of utilities that didn't continue on with major plan expansions for as much as a decade in some cases. That's an example of cancelling the project.

You could proceed and engage the design builder and any various numbers negotiated different scopes of services or you can elect to proceed with another design builder or a P3 partner. I like to refer to this as the pre-nup agreement. We fell in love, we were in love, and we thought our love would last for at least three years. We dated for 15 years, but it didn't last and so we leave the union with what we produced. FPUA in this case would walk away with 60% design and their basis of design report which they can use to move to another project delivery method. We're free to date others at that point. We've completed our Phase 1 tasks and the contract is over as far as we're concerned. Now you can move on and move on with some of the options that Bo mentioned in his first slide.

Looking at the schedule of the project. If we assume a start date of October 1, 2021 for reference, then if you look down on the left there under NTP you will see 30% basis of design. That's basically a six month process. By the end of the first quarter of 2022 you are now able to start looking for more funding and you can start the environmental permitting process. While that's going on, we proceed to 60% design and develop of the guaranteed maximum price that you see the black diamond milestone there. By mid-2022, we're looking at negotiating the Phase 2 contract, but also as I mentioned you see a line for early procurement and once we've done the process selection in Phase 1 then now you're looking at possibly ordering the long lead major equipment items that are going to go into that plant that's going to give you a jump on construction. This is in fact typically done.

If we proceed to Phase 2, then final design begins and is wrapped up near the third quarter, fourth quarter of 2022, but construction has started. So you are overlapping the construction which would put us at commissioning the plant near the end of 2024. If you compare this to the linear design bid build model you're probably a year out from that date. That's just a normal schedule for that delivery.

A couple of other things to point out here. This also gives you a planning tool for investments in the island water reclamation facility. You do need to keep that operational throughout the three-year period that you would be looking at for this schedule, but this now gives you a planning window. There's a goal and you've already made investments in the emergency power equipment out there that is intended to transfer to the new wastewater plant. You can make the same investment decisions with the new planning horizon.

I'm speaking for progressive design builds specifically with regards to the wastewater plant itself. What you would also see here is another schedule that follows realignment of the collection system and FPUA is already working separately on considerations for rerouting the collection system to now come out to the site of the new plant. We don't show that here, but it's a parallel process. Most likely deliver the same method or some other method.

With that, I will turn it back to Bo and if see you have any questions.

Mr. Hutchinson asked does the Board have questions on the progressive design build before we.....

Attorney Koblegard said I have just one. If I'm understanding you correctly you will provide the information, but you will not get involved in the funding. That would be for to us to handle on our own.

Mr. Gandy said not at all. Actually Seth Robertson, with Hazen is going to give a presentation on that. When I follow and it's actually a Phase 1 service that's typically provided with assistance with the funding.

Attorney Koblegard said okay.

Mrs. Gibbons said I have a question. So this is proposing that there would be completion in Octoberish 2024.

Mr. Gandy said end of 2024.

Mr. Hutchinson said it's a very aggressive schedule, but it's not uncommon.

Mr. Gandy said it's a three-year schedule.

Mrs. Gibbons said I like that everything is stacked and staggered.

Mr. Gandy said it's overlapping. That is the fundamental approach under design build.

Mr. Hutchinson said this is over simplified too. The actual one that they'll be using would take sheets and sheets....

Mr. Gandy said it's 40 pages and lots of head scratching, colors, ...

Mayor Hudson said Mr. Chairman, could you give me an example of some, Globaltech I know we've approved a lot of projects, but could you give me an example of what we've done with Globaltech that's design build?

Mr. Gandy said we have a continuing design -- I'm sorry design build. We have a continuing design build contract. The current statutory limits on that contract are $4 million dollars, but we've done multiple processes inside your wastewater plant. So and there's similar processes that would be involved in this project. Specifically, we've done four clarifier rehabilitations in the wastewater plant. We just installed a new energy -- emergency energy system at the wastewater plant. We've, under a FEMA grant, we did hurricane hardening at that plant where we did the new seawall and raised the old seawall. We reconfigured a lot of the pumps for floods.....

Mr. Hutchinson said we have a generator, which was you guys as well. The softeners of the water plant you did both of those. The aerator towers....

Mr. Gandy said 51 projects. Does that answer your question? You're looking for the types of projects.

Mayor Hudson said yes. I don't speak this language. So I wouldn't have remembered the clarification board was design build. I just wouldn't remember that. So this is under Florida statute that you can do this without.....

Mr. Hutchinson said the CCNA covers this particular process, yes.

Mayor Hudson said so this is an option to going out for bid?

Mr. Hutchinson said that's correct.

Mayor Hudson said and so do you -- do you know why the legislature gives us that option? I mean do you know what's behind that? Is that for innovation, is that for speed, is that for...do you know why that option exists?

Mr. Gandy said the reason why that option exists is because it is currently written under the Consultants Competitive Negotiation Act and design build is a joinder of the contractor and the engineer so you select under that even though typically the contractor has the bonding and the financial capability. You're teaming with a professional engineer and that's why the Consultants Completive Negotiation Act 255...I forget the last three digits of it regulates that.

Under design bid build you select the engineer by itself under that statute. That statute doesn't apply to the contractor you select, that's just bidding and procurement.

Mayor Hudson okay.

Chairman Fee asked any other questions?

Mayor Hudson said I have other questions, but will wait till later.

Ms. Cavalcanti said I have a question. Have you done a design build of a full wastewater plant in Florida?

Mr. Gandy said no, but for a full.....let me just talk about my career quickly. Formally with CH2MHill I worked on the design of projects all over the country that were larger than this, 50 million gallons a day, 100 million gallons a day. As a design builder, we typically team with larger contractors to deliver the services. We've done every process that's inside of the plant. We've done engineering on it. This is an $80 million plus plant. Our bonding capacity is about $50 million, so it's very typical of projects this size and our region for folks to joint venture and team together to deliver what is their expertise in the project and to combine financial resources.

Ms. Bennett said I have a question. How much of the project will you sub out?

Mr. Gandy said if we joint venture on the project....only to what we think we can't complete ourselves. But we also take the opportunity....our work in Ft. Pierce is an example as we take the opportunity to contract with local vendors. We have a preference for it. We have worked quite a bit with local vendors and local contractors in Ft. Pierce. There's plenty of opportunities here for that, but again, we have to control.....we are liable for the schedule and we are liable for the quality. We take that seriously and we would self-perform those areas of work which are under our responsibility.

Mr. Hutchinson said effectively if I could add something to that. There's been on occasions working with Globaltech that they are using subs where they almost bid against themselves. Where some of the work they could potentially do, but maybe their forces are used better somewhere else and they may bid out a portion of the electrical work or something to that effect, but they are ultimately responsible for it. That's something that's very very important in this process is to have a single line of responsibility.

The charts that Paul showed earlier as far as going through the design plans, the design engineer and you've got this thing out to bid. I can tell from day five in the project the shovel goes in the ground the contractors point the finger at the engineers and the engineers point the finger at the contractors. It's very difficult and you know a big project like this we need a single point of control.

Mayor Hudson said and that would be?

Mr. Hutchinson said Globaltech.

Mayor Hudson said Globaltech.

Mr. Hutchinson said yes ma'am. Ok if nothing else we'll introduce Seth. I would like to introduce Mr. Seth Robertson to the Board. He is the Associate Vice President and corporate infrastructure funding leader for Hazen and Sawyer. He brings over 25 years of experience on the funding side of the water infrastructure and wastewater infrastructure project such as ours. He specifically specializes in the funding and the general financial analysis rolling all the way into asset management and capital improvement planning. On the other side of the fence, he's served as the SRF Section Chief for the State of North Carolina. It's where he managed over $2 billion dollars in state and federal infrastructure funds, that's billion with a B. He also served as the Co-chair of the national EPA and state SRF work group. Needless to say, he has extensive experience with state and federal funding programs including all of these acronyms that I would have to turn over to Seth to tell you what those are and also the state and federal resiliency programs which we would probably be tapping into for this project as well. In the recent years he has directly managed 54 successful funding applications for a total of over $185 million dollars. He also flew from North Carolina for this presentation. Thank you very much.

Mr. Robertson said thank you for having me. First of all I want to point out that I'm actually here representing a team of professionals at Hazen and their collective experience beyond what Bo mentioned. We have been successful in securing and administering over $4 billion dollars of water and wastewater funding across the country and over $1 billion dollars here just in Florida, including a bunch of programs I will talk about tonight.

So the WIFIA program, FEMA programs; clean water SRF. I think you've heard about some of these programs before. I believe your consultant, Raftelis, has talked about it. A few of these programs are options for potentially funding this project and making it more affordable. So Paul talked about design build and some of the benefits and obviously benefits from a timing standpoint. I will talk about the need for proceeding in a timely manner from a funding standpoint.

This is the generational project. This is a very large project with a lot of impact for the utility and the community. It's also perfectly aligning with a generational opportunity from the funding perspective. This is the best time to ever fund a project like this in my career and probably the most funding that's been available since at least the mid-70s in the construction grant programs, the types of funding that was around when you probably built this plant the first time. We haven't seen this type of federal funding in that entire time period and it's really changed dramatically in the last six to twelve months.

There's three things driving that right now. One is historically low interest rates that's in the bond market and in your checking account. It's terrible in some places, it's great when you're trying to borrow money.

It's even more emphasized if you look at some of the federal and state loan programs of how low those rates are. When I say low I'm talking as low as 0% funding. Which is fantastic it's never happened and may never happen again.

Second the American Rescue Plan. The funding that was made available earlier this year in the American Rescue Plan that was made to towns and cities and counties was also made to the state. They are using some of that funding for infrastructure for water and sewer. That is a source of grant funding that's never been here before and has a very short window and is not going to last very long.

The third thing is the Infrastructure Bill. When I talk about some of the programs and some of the options that we have these are literally changing by the day. A lot of that is being driven by the Infrastructure Bill and even then potentially from the Budget Bill after that. So the Infrastructure Bill provides substantial funding to WIFIA, FEMA, and to Clean Water SRF. It creates some new grant programs potentially. All of these things are coming together to provide a very unique opportunity to leverage at this moment in time to do large infrastructure projects. I'm going to talk about multiple programs in part because there's no single source that will likely fund $80, $90, $100 million dollar project. So it's going to be about putting together a funding strategy and a funding package that uses the best of all of these. Its low interest loans, its grant funding, its resiliency funding it's all of these different things to put together the best possible package to make this project happen.

So just a few of them, WIFIA. The Water Infrastructure Innovation Act. See I'm going to define some of these as go through. This has only actually been around for a few years. It was considered sort of a sister program to SRF. It's a low interest loan program. It's getting substantial additional funding under the Infrastructure Investment Jobs Act. I'm going to just call it the Infrastructure Bill from now on. That's the current title of the Infrastructure Bill. When I refer to that, that's what passed the senate here in the last week or so. Again, it's not signed into law yet, but looking at what's in there and what's been agreed to this is where a lot of the sources are coming from. Substantial additional funding it just means there's more funding available, more people will be able to get their projects funded through it. It's tied to treasury interest rates which again are obviously very, very low.

Clean Water State Revolving Fund. It's a federal program that's administered by the state so the State of Florida receives funding that they then administer. Again, it's receiving a lot of additional funding potentially through the Infrastructure Bill. Basically, four times the amount that it's currently funded at with what we're going to get out of the infrastructure bill.

I talked to the DEP yesterday. I will echo what Bo said, there's a substantial interest from DEP for this project to happen and having their support from a funding side is also a very good thing. That's where currently all of their projects they are basically funding them at 0% interest.

Talking about grants. Here, again, is a couple of examples. So building resilient infrastructure communities or Block Grants. This is under FEMA. So as opposed to the existing FEMA that you probably know and love, where they hopefully at some point give you money when you've had some type of disaster to help you rebuild things, this is a newer program that's only actually going through one funding round so far that provides funding to do pre-disaster mitigation to address the potential substantial impacts to infrastructure especially critical infrastructure and facilities just like a project which moves the plant from

the island to the mainland. That's obviously going to be a big selling point along with some of their water quality benefits from when you have flooding events and that type of thing that's going to put you in a good position for grants. That's what this program is. I think they have between $500 and $700 million this last year. With the Infrastructure Investment Jobs Act bill it should move it up to about $2 billion dollars in this next year. So again, substantial increases in funding.

Then you have the resilient Florida grant program. This is a program just here in the state. It's administered by the state and set up. There's been some pretty good funding there. Again, there's a lot of need. This is where the state plans on putting their American Rescue Plan funding money. So they're looking to put between $500 million and $1 billion dollars extra in this for grants. Again, doing a lot of the same things as BRIC. Doing things like moving infrastructure, protecting it from future events.

These are just some of the examples. There's a bunch of other potential programs that are currently being discussed. They may come out of the next several months. For the most part, programs that amount to that we've never seen before and likely will never see again. ARP money basically has a window and it goes away toward end of 2024. The Infrastructure Bill provides all of their funding in the next two to five years. That's kind of the window to be able to access these things before they are gone.

Just some general takeaways. I've kind of mentioned all these things already, but generational opportunity there's also just this window and it's not going to last so long. Historically low interest rates paired with the grant opportunities is tremendous. Substantial increases in almost all the programs that exist currently for water and wastewater funding and the third and last sort of thing out there is there's likely to be some additional funding that may come out of the $3.5 trillion dollar budget bill. I'll believe it when it gets passed and we see what things happen. That's where a lot of funding is pushed related to climate change. This would also potentially fit with what we are trying to do here from an impact and protection standpoint.

Mr. Hutchinson said so staff's plan at this point or staff is currently working on finalizing the contract for the progressive design build. It is our plan to bring that back at the September 7th Board Meeting as well as the entire team will try to introduce more of the players on that team as well. It's staff's opinion that this provides the best value to the FPUA rate payers and also the citizens of Ft. Pierce. It takes advantage of the shortest time frame that puts us in the best position for gaining these grants that Seth's talking about. It minimizes the risk to the utility authority and allows us to stay ahead of the FDEP mandates.

You recall at the last Board Meeting, Mike Martin did a presentation on one of the new water discharge regulations that's coming out. We're seeing more and more of those. The DEP folks have been at the plant a couple of times and the first question they ask is aren't you guys moving this plant? When are you moving this plant? Do you have a plan to move the plant? We have to submit things to them in that nature. This will give us the opportunity to stay out in front of that before they mandate that we simply do it.

Chairman Fee asked any questions?

Ms. Cavalcanti said I have one comment. I do think you're correct in that this is a one-time opportunity. There's a lot of funding out there and its cheap funding and I think that's real important for us to take advantage of.

Chairman Fee asked how much funding do you think we will need?

Mr. Hutchinson said well that's a speculation.

Ms. Cavalcanti said we've already got some invested in it. Right?

Mr. Hutchinson said we do almost $24 million so far and the value of that investment is tremendously more than $24 million. Typical cost for plant like this green field is around $80 million. Now there's some more things we have that can come off of that, but you know hey things are getting more expensive every day. There's also the infrastructure piece that Paul touched on. We are starting to develop some good costs for that as well. The faster that we do it the better. The faster that we're able to do it and if we're able to use an efficient methodology like this we should be able to keep up with the rest of the plant being constructed.

Mrs. Gibbons said I have a question. In similar projects like this, approximately percentage wise how much are they able to get in grants? I know that's kind of also a weird question. Things are changing, a sliding area, you know just in general.

Mr. Robertson said again it's changed so much in the last six months that it's almost not even comparable with where we are. A year or two ago I would have said you know you get $2-$3 million dollars' worth of grants. It's great, it doesn't have a huge impact. Hey, any free money is free money, but it's going to be almost all loan. Just because there hasn't been that much grant money put out there in recent years. Now, again, that's potentially changed dramatically.

Mr. Hutchinson said you can look at the amount of grants that we've gotten for other wastewater infrastructure. We've got well over $4 million in hand of grants that were not available before and that's just through the state. We haven't talked about the federal level. On Thursday we're going to ask for another $900,000 we'll perpetuate for the next five years. We're going to ask for that as well. The grants are out there and they are really trying to you know to give this away for environmental avenues.

Chairman Fee asked what would be the plan if we get let's say $20 million dollars. What would be the next step to make up the shortfall?

Mr. Hutchinson said we would have to look into the financing options. That would be the strategy that Seth is talking about. What I would envision on our financial planning there is almost a chart. I'm an engineer so I love charts where you would have potential grant funding and we could put some realistic numbers in there, but basically starting from none to full project value and then also the other costs on the other side. We would be able to kind of take that and also sort out what type of a rate increase that this is going to require as well and keep that as minimum as possible for our people for our citizens.

Attorney Koblegard said the different funding sources you discussed. The pay back periods are they about the same for each of those? As that's important to us.

Mr. Robinson said they vary. For the most part you're going to see longer pay back periods through the funding that's coming from state and federal than you will to the bond market. You're generally going to see anywhere from 20 to 35 years. It does kind of range.

Mayor Hudson said Mr. Chairman. So we've had three different approaches to this that you've been working on for a long time. One approach was partnership with the county, collaboration with the county and then we looked at P3 and now we're looking at design build is that what you call this, or CCNA whatever the shorthand is for this. So you've done a little bit of comparison. You mentioned the rate payers. I think at our meeting with the talking about the P3, I think Ms. Cavalcanti asked about putting pen to paper and telling us how much it would cost and how much the rate payers would have to pay in order to do it that -- with that mechanism. Is there any way that you could tell us...you say this is the best for our rate payers I think you said it was the best value, but there's no numbers.

Mr. Hutchinson said this first phase of the progressive design build that is going to answer a lot of these technical questions. That's going to answer a lot of or pretty much all of the funding questions that's going to give us a pretty good idea what kind of grants we can get. We're going to be able to narrow the cost down and even if we don't continue with this methodology there's a value to that. From our discussions with Aqualia, you know that's what we asked them. You asked them that and you know I didn't get any real good answers from them since then, but that's what we need to do. This first phase is going to get us there and really get those numbers that we need to make the right decision.

Ms. Cavalcanti said and when we keep talking about an $80 million plant, does it pull off the $24 million from there or is the $24 million in addition to the $80 million? The $24 million we've already invested.

Mr. Hutchinson said it's pretty close -- again I'm speculating which is tough to do when we're talking about millions of dollars. It certainly helps.... as I say the deep injection wells is a huge piece for that. It's not going to be the $24 million pulled off of the $80. There's going to be some other pieces that would come off of that, but again the market is what the market is with materials and such.

Ms. Cavalcanti said so that design phase, first phase, we'll know what I think he said the 30% point; correct?

Mr. Gandy said that's an estimate.

Mayor Hudson said he needs to come to the mic. Phase 1 - 30% you'd have a more sharpened estimate, but at 60% you have a firm commitment to build a plant for that amount.

Ms. Cavalcanti said right and 30% we will know within how many days whether it's 60 days.....

Mr. Gandy said 6 months.

Mrs. Gibbons said so securing the funds from the various sources, traditionally takes about how long is that going to slow the process down? What are we looking for? We didn't really hear a timeline from you necessarily?

Mr. Gandy said it's going to depend on the funding source we select and that's what we take into account. My general recommendation is we develop a funding strategy and implementation plan. Basically starting now at the same time. So we would do it concurrent from the very beginning. Where we would identify all the possible funding sources, the schedule for those sources, the total cost. Some of these are going to be 0% interest, but some are going to come with some federal requirements. We need to make sure we truly understand the total cost of each of the different options and what it will mean. We can kind of chart

all of that out. We talk about grant charts where we can lay out when are the application deadlines. What are the time periods for all of them so that we can make a decision and say this isn't going to work for time. This is a good source, but we don't have time to work through this process or it's a great source and maybe we do want to slow down and work through the process because it's worth it from a value. We would be doing it at the same time and identifying kind of all those milestones and the schedule for every funding source individually and building at the same time we're looking at the construction of the site.

Ms. Bennett said so hypothetically, if say we get $60 million dollars for this $80 million project and we're short $20 million dollars. Will the rate payers consume that? Will we have to make up the difference?

Mr. Hutchinson said you would have to make that up in a rate increase, yes. I love your optimism. No pressure.

Mr. Robertson said we would want to look at the cost, again. It's not going to be one source. It's probably going to be two or three of four different sources that fully fund this project. We want to try to take that analysis again as we're looking at it of what does all of this mean to total cost of the project. Realistically what does it all mean from a rate standpoint because that's what the real impact is. You know that stuff that we could do along with our analysis or we can work with your other consultant to help inform their models they have to make sure we're tracking not just the total cost of the project, but what the real impact is going to be from rate standpoint. I think you've already set sort of the worst case scenario you looked at all along not super super low interest rates. Hopefully everything would be moving down from there.

Mr. Hutchinson said if I could make another quick point, Madam Mayor. You had mentioned St. Lucie County. There's the opportunity at any time for St. Lucie County to join back with us.

Mayor Hudson said I was going to ask you because their logo is on this presentation. Is that a shadow partner of some sort or where are we on that?

Mr. Tompeck said it's a continuing invitation.

Mr. Hutchinson said that's a good way to put it. We are also inviting St. Lucie County staff to join with us in our technical meetings. We start designing the process and we're looking at that door and it will absolutely will be open. FPUA partnering together with St. Lucie County is the absolute best way to go for all of our citizens and I really hope at some point in this process that we're going to be going down the river so far and they're going to join back on the raft.

Mr. Robertson said and potentially it's a benefit from a funding standpoint. A lot of times they want to promote collaboration and partnerships.

Ms. Bennett asked and at any time can they join with us from the beginning of this phase to the end of the phase?

Mr. Hutchinson said yes, ma'am. Yes, ma'am. We can plug them in here anytime they are ready.

Mayor Hudson said to Ms. Bennett they are a bulk customer right now. Their customers from St. Lucie County are paying over and above our rates for the county to be in that business. Is that correct Bo?

Mr. Hutchinson said that is correct. There's a discounted rate where we strip off all the other overhead they aren't responsible for as a bulk customer. Then they have to mark it up for their own infrastructure needs.

Mrs. Gibbons said I have one last question. In the Aqualia presentation they were going to be getting the funding and then charging us you know a percentage or whatever on top of what they were. This is going to be funded directly to FPUA not to Globaltech; correct?

Mr. Hutchinson said directly to FPUA.

Mr. Robertson said we send you a bill.

Mrs. Gibbons said hopefully the bank sends us the bill, that's the point right.

Mayor Hudson said I have a question. This is very, very encouraging. Why didn't you recommend this in the first place?

Mr. Hutchinson said we were working towards this goal. There are multiple methodologies that we were looking for at the same time and to be honest with you the delivery method we really hadn't quite gotten there yet. When our discussions were with St. Lucie County it was how much is it going to cost and how are we going to split it up, how are we going to govern it, we were getting through that and the methodology I can argue that we would have gotten to this point anyway. With the political climate right now and the value of the money that we have right now this just pushed everything forward. This is the momentum I was talking about that we can capitalize on.

Mayor Hudson said I remember at some point when you were making presentations to us individually that we were going to go to the County you were talking about the fact that we could go it alone if we had to go it alone. Was this the method – was that in your mind, then?

Mr. Hutchinson said at that particular point I hadn't really started delving into the methodology of it yet. I knew the methodologies existed, but we hadn't really delved into it. So when we really took the deep dive in this over the last four or five months this really came to the top. The efficiencies in time and just the transparency I guess is the biggest thing from a staff standpoint and just being able to handle this type of a project efficiently with the staff that we have is you know that's a great value.

Mayor Hudson said I'm very worried about what the rate payer will pay. That's going to be the elephant in the room. Because we have as a Board and as a City and as a County said this is absolutely a crucial thing to do. But I don't know that our citizens actually are thinking about this is an absolutely crucial thing to do and so I think that's -- that's going to have to be something that we really think long and hard if we ask them to pay more money they're going to have to know why this is important.

Mr. Hutchinson said yes, ma'am. That's a comment that Commissioner Johnson had made as well. The public outreach on a project like this to get the word out there of just the long-term value of really the reutilization of that property. What value will that mean to our community and get that message out there to the people. So when they are asked to absorb a few percent extra that they realize just the amount of jobs and the amount of taxable income that will be created and the overall value.

Mayor Hudson said well it's been my experience that everybody is for environment -- environmental projects until they have to pay for them and they have to trust that you know the taxes the -- all those things are in the future. They don't necessarily....the average rate payer/tax payer doesn't necessarily trust that that's going to happen.

I have another question. In all of the numbers that we are talking about, do we include the decommissioning cost of the plant?

Mr. Hutchinson said the decommissioning would be above the numbers that we've talked here today and they were included in the Raftelis report. The entire package was included in the Raftelis report. It had a very large contingency on it. As Paul had said it's a 30,000 foot view as we go through this and hone in on the cost of the plant itself. Which is what we're asking Globaltech to help us with. We will hone in on the rest of the infrastructure cost as well that would include the decommissioning of the plant.

Mayor Hudson said was that $120 million is that what Raftelis was?

Mr. Hutchinson said it was $131 in today's dollars including contingencies. If we carried it out five years, which the five year increment was really based on trying to keep the rate increases very small and incremental as we went. It was in there $150 million.

Mayor Hudson said we had talked with Mr. Tompeck about asking Treasure Coast Regional Planning Council to help us in this process. It seems to me like we're talking about having financial help, but it seems to me like the Treasure Coast Regional Planning Council could help us in terms of the economic development aspect of this, have you talked to Ms. Delaney about her roll or their roll in this?

Mr. Tompeck said I talked to her not in great detail. I think you know the chart that she's put together about specifically how they'd like to be involved and we're willing to help in any way we can. I know that we talked to Kim last week and she said she will try to get to the September 7 City Commission meeting and go from there. I'm not sure how long the process will take for you to approve some kind of an interlocal between the City and the Treasure Coast Regional Planning Council. Then she has a series of other steps associated with the eventual conclusion of some kind of interlocal between the City and FPUA. We're not -- I'm not sure I understand we'll be in that interlocal, but I suspect that a majority will be associated with the land use.

Mayor Hudson said okay. I think it's important for them to be a part of this. This has a regional impact a huge regional impact moving this wastewater treatment plant. They've helped us with other projects too and since we're talking about financing and the actual plant, but we are not looking at the bigger picture, maybe which helps us put it all together.

Attorney Koblegard said I think because of our strong financial position of the UA and going back and thinking back when we talked with the bond council in the past I think that finds the funding. Then borrowing $80 million dollars with a 30-year pay back would not be an issue for the UA at all. I'm pretty sure that's a fairly safe assumption to make. That would not have a real impact on rates I don't think.

Mr. Hutchinson said borrowing $80 million would. I can bounce it off of the numbers we looked at.

Attorney Koblegard said if you stretch it over 30 years.

Mr. Hutchinson said it was not real substantial -- well it was certainly substantial. The numbers that we looked at with the high estimate from Raftelis and breaking it out over five years with the county partnering with us getting our piece down to all-in cost was the high 90s. That put us about 2.5% rate increase for 5 years. That's a good ballpark if we can get the number down. If we are able to get a grant that might supplement what we were expecting from our county partner as well. I would love to see $40 million dollars in there. We can get in that ballpark. We aren't talking a 10% rate increase here we're talking about you know 2%-3% or 4% maybe and it will be graduated up as well. We will try to make that impact obviously as minimal as we possibly can.

Mayor Hudson asked is that just on wastewater?

Mr. Hutchinson said that was wastewater and water.

Ms. Cavalcanti said both of them got that much increase. So over five years we're talking like 22% something like that?

Mr. Hutchinson said if you broke it up, yes, overall.

Mr. Koblegard said then the income from the new plant goes toward reducing it.

Mr. Hutchinson said that does reduce it and it was included in those original estimates. Those offsets were and they're still available to us now.

Mr. Tompeck said we're trying to cover the debt service with the increases. We're talking about getting increases up front so we can start to build up a fund to handle this. Once again, like Bo said I think it's an important consideration that the 2.5% that was in the presentation a while back that assumed no grants. I think there's...we have a lot higher optimism level that we can obtain some grants to that and will offset some of those numbers.

Ms. Bennett said I'm really concerned about the rate payers rate and is there a time frame that you can come and give us an estimate of when will we know the increase that the rate payers will be paying. That's a big concern of mine. Can you give me a time frame?

Mr. Hutchinson said assuming that the Board approves the Phase 1 of the progressive design build this will allow us to drill down on those numbers. At the same time that that's happening, we have Raftelis on board again with help from Hazen as well. They will look specifically at the rate impacts just like what was previously done when we looked at partnering with the County, we're going to be looking to get that with this process in parallel. In about the six month timeframe and at the end of Phase 1 progressive design build that's when we will be able to give you the numbers and we'll have options at that point. If the Board decides it's too much money for us to afford right now or to put on the rate payers, then that's the option of the Board. All we can do is provide you with that information, but it will be a much, much clearer picture. All the numbers we're talking about here today I hate to do it because they are speculation. You know, we have to talk about something. We have to have a starting point.

Mr. Tompeck said all those increases will not only be approved by FPUA Board, but the City Commission as well. We'll need their buy in to do that.

Ms. Cavalcanti said looking at this chart if I'm reading this right, it looks like to me maybe November of 2022 we would have the final numbers....the commitment. Is this correct?

Mr. Gandy said I think by end of third quarter we would have the GMP.

Ms. Cavalcanti said if I'm looking at it right. So the 30% would give us in about 6 months a fairly good idea, but 1-1.5 years and some months from now we would have an absolute commitment number.

Mr. Hutchinson said if you are uncomfortable with the percentage of error that's there, if it's a 10% contingency then we have to keep moving a little further.

Ms. Cavalcanti said I think the reason we didn't move quicker on this whole wastewater plant was just for this reason. We were concerned about increases to the rate payer. It's become a little bit direr, I guess as development goes on and people want to see the island with this removed.

Mr. Koblegard asked what are you looking for from the Board now and or in the near future?

Mr. Hutchinson said this is really an information only presentation today. At the next Board Meeting we will bring you a contract to review and to potentially execute for only the Phase 1 of the progressive design build. That's our plan. Hopefully, over the next few weeks as we get that contract closer to completion we can also potentially bring each of the Board Members in and we can go through everything in detail for what we have so everybody you know even prior to the meeting has all the information. This is a huge decision. I don't think an FPUA Board has ever had to make a decision this big. It's very important to get that information to you even in a one-on-one setting even prior to the Board Meeting. Then everything's completely transparent, you have all the time you need to review the contract.

Chairman Fee said one follow up question about the rate increases. Is it your opinion that the rate increases are going to step up over a period of time and then flatten out five years or they will stay there until how long?

Mr. Hutchinson said they would most likely stay there, but the methodology that we were using prior to looking at this was a very conservative number. You would add, we were using the 2.5% on both utilities there so what we would try to do is get, I will call it the worst case scenario, right the 2.5% approved for up to five years to handle that or maybe if that's too much incrementally maybe we go to six or seven years whatever it is too slowly ramp up. We'll look at it every year. Let's say that our Board and City Commission had approved the 2.5%, but Seth really does his rock star thing and knocks $60 million dollars off the top then we don't necessarily have to take the 2.5%, but we'll be able to look at that. What we'll ask for is a maximum and try to whittle it down to exactly what we need each time.

Chairman Fee said I guess that leads to next question what to do with the property afterwards and it would be definitely a benefit for the taxpayer for the funds from the sale of that site to come back to UA to help offset the rate payers monthly cost. Would you not agree?

Mr. Hutchinson said I think that's what the Mayor is asking the Treasure Coast Regional Planning Board to help us decide at this point. I'm an engineer, my goal for 18 years now has been to move that plant. I know that property is going to be valuable to the utility, city and the county and just everybody. It's going to be

a real good tax generator for us. I would love to see some of that money come back to help offset these costs and the rates as well, but that decision is well beyond me.

Mayor Hudson said I have another question. This is just basic. Are the steps that we've already taken do you have a plant design? So that step is already taken, that's your second page.

Mr. Hutchinson said yes, ma'am.

Mr. Tompeck said that's the $2.2 million you spent on the original design Bo, I think.

Mayor Hudson said so we're in design build. Don't we have something already kind of to start us off?

Mr. Hutchinson said yes we do.

Mayor Hudson said so we've got some homework done.

Mr. Hutchinson said we absolutely do and actually Paul had done some of that original homework back in the day and we have also with the rate analysis that we did through Raftelis with Hazen we have Hazen onboard who has done a lot of the homework as well. You are absolutely right. We already have a way to capture some of those funds that we've already expended towards this.

Mayor Hudson said right...they've been involved.

Mr. Hutchinson said yes ma'am. All right.

Chairman Fee asked what do you think would be the time frame for build and decommission collectively together...the aggregate?

Mr. Hutchinson said well the wildcard there is getting the rest of the infrastructure in place to be able to move the flows to the plant. That's going to move on the parallel path. It will have to be staged. The other plant has to be online before we're able to start sending flow to it. What we would try to do is to break that up into logical steps. You can't just flip the switch and go. There's a decent amount of infrastructure that's there. The very last piece is most likely going be Lift Station A. That will be its own very large project. We're going to have to keep everything flowing through it to the island until we can finally throw that final switch and break the champagne.

Mayor Hudson said one of the things I think we should do is meet with the state legislators pretty soon so that before they go up to session so they know where we are and what we're planning and because we have Senator Harrell and Dana Trabulsy both are in the majority right now. It would be a good idea for them to be very familiar with what we're trying to do. We've already met with Brian Mast.

Mr. Tompeck said actually we're meeting with them on Thursday.

Mayor Hudson said you will be out there for legislative delegation?

Mr. Tompeck said yes and for the recurring appropriation for the sewer lining. We received $900,000 last year so we are going to be there for that.

Mayor Hudson said good, great. Good planning.

Chairman Fee said all right, thank you.

Chairman Fee asked any word from the attorney?

Attorney Koblegard said there is nothing to report on at this time.

Chairman Fee asked any other business?

Mr. Tompeck said just a couple of quick items, I wanted you to know that the FPUA staff presented the budget for approval at last night's City Commission Meeting and it was unanimously approved.

I also wanted to give you a quick update on Covid-19. I listened to the City Commission meeting last night and their discussion on Covid-19 and we, just like the City, are experiencing a steep increase in the number of Covid-19 positive tests and people that are getting sick. Over the last month, 30 people in our organization have been infected. Of those 30, 15 people have returned to work. The rest are either sick or in isolation due to contact with a Covid-19 positive person. We've had a couple of people pretty seriously ill which have required hospitalizations. So far we haven't changed any of our protocols, but we are continuing to actively encourage our employees to get vaccinated and to continue to social distance. We're doing our best to isolate our control rooms and I'm talking about dispatch and the control room at the water plant and the water reclamation facility. Because those are the most vulnerable areas.

I had a chance to listen to a presentation by Rob Lord who is the President of Cleveland Clinic, FL last week. He said some of the things that I think we all know. I will just repeat them real quickly. The number of cases has continued to increase and significantly worse than the peak last January. He thinks that the current peak will flatten out here in another 10 to 14 days, but there's still a lot of cases between now and then. The patients that are coming to the hospital are younger and sicker and in most cases unvaccinated. The vaccinated break through cases coming to the hospital are normally being treated and released in one to three days. Whereas the unvaccinated folks could be there anywhere from 8 to 30 days. Some of the elective surgeries are being postponed at this point. The hospitals are close to being at the breaking point. They really are being stressed with the number of people coming in and there's a shortage of nurses. So we still got some work to do here. It will be tough for the next couple of weeks, I think.

In terms of FPUA, our customer service group has been the one that's been hit particularly hard and the major impact to our customers will be increased wait time on phone calls. Because we don't have the same number of people answering the phone. Right now there's no other impacts to our normal operations, I think we're in pretty good shape.

The last item is staff would like to welcome our newest Board Member Barbara Bennett. We had a chance to talk a little last week to get her ready for today's meeting and we'll be scheduling a full day of orientation in the next couple of weeks.

That's all I have, Mr. Chairman.

Chairman Fee all right. Anything else?

Mayor Hudson said I'd like to join you in welcoming Ms. Bennett and look forward to working with you.

Mrs. Gibbons said I have a couple of things. We talked about Covid-19 and before Ms. Bennett was on the Board here we discussed the opening of the customer service desk again. Ironically you are here today. That's the one topic I wanted to discuss. Are we looking at maybe potential solutions for that so people can come in and ask questions in person rather than having to wait on the phone? Obviously, you get a different person when you sit in front of them rather than over the phone you know.

Mr. Tompeck said we've been working on redesigning our customer lobby to have permanent walk up windows. We have two walk up windows right now. I think that's been working pretty effectively. Those walk up windows are really limited to establishing service and moving service. We've had very good success with our walk up kiosk on the west side of the building and of course we have our drop box in the lobby and also our drive-thru. In the last, I guess it's been like two or three months, we've had the drive-thru kiosk, and we're starting to get some success there. I thought for sure when the drive-in kiosk went in that the people using the walk-in kiosk wouldn't use it as much anymore. But they still haven't gotten used to the idea of driving through as opposed to walking up.

We have some work to do there. We will try to come up with a permanent lobby solution and I think your question is a little difficult to answer at this point in time because I think wait times haven't been too bad yet. I think there's a potential for them being longer. I think we were 3-4 minutes somewhere in that ballpark, which if you're dealing with Comcast that would be a miracle for them, but we pride ourselves on good customer service so we'd like to see it at less than four minutes. If it becomes more of a significant problem then we may have to do something different in the lobby area.

Ms. Bennett asked how are we advertising the walk-up? Kiosk?

Mr. Tompeck said we've been talking about that for quite a while. I think we had some posts on Facebook. We certainly have some information on our web site. We've done some bill inserts. All kinds of different ways of advertising these things. They've been advertised over the last several months. We've been, you know we've been, the Covid pandemic has had one good benefit for our customers. They've learned or figured out other ways to pay and it's been more convenient for them as well. If there's anything good about it that's probably it.

Attorney Koblegard said looking at the idea about the seriousness of this Covid, my daughter who is a pediatrician, was seeing on average of maybe 3-4 patients a week. Now it's between 10-15 a day and these are young children. It shows you how serious it's gotten.

Mrs. Gibbons said the other thing, of course, I have to be the one that brings all this up is so last week we spoke about a succession plan for Mr. Tompeck and I have been doing some thinking too. I don't know what Mr. Koblegard's plan for retirement is. Maybe we need to discuss it and come up with a plan and you in concert with Mr. Tompeck's exit. I figured I would bring it up and have a chat about what you guys think.

Chairman Fee said I think we just renewed his contract about five months ago maybe as I recall.

Mayor Hudson said I don't remember it, ask him.

Chairman Fee asked Mr. Koblegard didn't we just renew your contract recently a couple of months ago? I think it was at the same time we did Mr. Tompeck's as well.

Mr. Tompeck said yeah, I think we....remember we were originally working with a letter agreement for Mr. Koblegard. I think we did make something more formalized a couple of years ago.

Attorney Koblegard said a couple of years ago. A letter to an actual contract that I now have with the utility authority. It has no real time frame in it when I have to retire. It's still up to me to make that decision. I certainly would tell you that and I will let it be known long before I decide to move on if that's a satisfactory answer from my standpoint. Unless you need me to move on.

Mrs. Gibbon's asked are there any other comments?

Chairman Fee asked any further discussion?

Mrs. Gibbon's asked do you have plans for retirement? Do you have a date in mind or anything already that just so that we have something?

Attorney Koblegard said I thought about it at times, but quite honestly, I have been so interested in this moving the plant and working with the County, that I would like to see that through. That's sort of my thinking right now unless there's some other reason why I should reconsider that.

Chairman Fee asked any further comments from the board? Ok then I'll go ahead and adjourn the meeting.

There being no further business, the meeting was adjourned at 6:04pm.

ATTEST:

SECRETARY

CHAIRMAN