MINUTES OF A REGULAR MEETING OF THE FORT PIERCE UTILITIES AUTHORITY, TUESDAY, OCTOBER, 19, 2021, 4:00 P.M., CITY COMMISSION CHAMBERS.

Members Present: Vice Chairman Kristina Gibbons; Secretary; Barbara M. Bennett; and Mayor Linda Hudson

Member Absent: Chairman Frank H. Fee, IV

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 Vice Chairman Kristina Gibbons.

Opening Prayer was by Jason Mittler, Manager FPUAnet

The Pledge of Allegiance was recited.

The roll was called and a quorum declared.

Mrs. Gibbons said we actually have a new member that needs to be sworn in, Mr. Lammers. If he can step up with Ms. Cox.

Swearing in of new Board Member, Joseph Larry Lammers, by Linda Cox, City Clerk. Mr. Lammers held up his right hand and swore under oath the following: "I, Joseph Larry Lammers, 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."

Ms. Cox had him sign the oath and congratulated him. The Board also congratulated him.

Mrs. Gibbons asked would you like to say a couple of things about yourself?

Mr. Lammers said well, sure, so I moved here when I was six years old. Raised in the city of Fort Pierce, and to say I never imagined myself with this level of responsibility that I am going to take so seriously would be an understatement. I am just really excited to be part of the team and hopefully we can all leave the utility in better shape than we found it.

Mrs. Gibbons said great. Well, welcome.

RECALL THE ROLL.

Members Present: Vice Chairman Kristina Gibbons, Secretary Barbara Bennett; Deputy Secretary Larry Lammers and Mayor Linda Hudson.

Mayor Hudson asked do we have to excuse Mr. Fee's absence?

Mr. Tompeck said I was going to, when you set the agenda I was going to recommend that we excuse Mr. Fee from the meeting and I'd also like to pull Item G.8 for a later meeting.

A motion was made by Mayor Hudson and seconded by Ms. Bennett to excuse Mr. Fee from the meeting today.

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

Mrs. Gibbons said I trust everybody has had a minute to go through the minutes, if we could get a motion.

Mr. Lammers asked should I abstain from this since I wasn't here at the last meeting?

Mr. Koblegard said you probably should, but if you don't think you can even though (unintellible). If you don't attend a meeting, you still have to vote. I don't know about someone who wasn't on the board at the last time. So –

Mayor Hudson said I think the city -- if you haven't been at the meeting you still have to vote on the minutes. Your call, but I think --

Mr. Koblegard said it won't hurt anything.

A motion was made by Ms. Bennett, seconded by Mayor Hudson, and unanimously carried to approve the Minutes of the Regular Meeting of September 21, 2021.

Mrs. Gibbons asked do we have any comments from the public today? No, alright so Consent Agenda. Do we have anyone to make the motion for approval?

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

1. POA No. 15-53: Approve additional funding for the purchase of Communication Services and Equipment from Cellco Partnership dba Verizon Wireless, of Basking Ridge, New Jersey, under the Florida State Contract DMS-10/11-008C, to increase the not-to-exceed amount by $22,364 from $64,560 to $86,924 annually, through January 19, 2022.
2. POA No. 22-07: Approve the purchase of an Air-Cooled Chiller for the Energy Services Center (ESC) from Trane U.S. Inc., of Davidson, North Carolina, in an amount not to exceed $84,645, through participation in the US Communities RFP No. 15-JLP-023, HVAC Products, Installation and Related Services.
3. POA No. 22-07: Approve the contract for ESC Chiller Replacement, Air Handler Pipe and Duct Work with Thermal Concepts, Inc. of Davie Florida, in an amount not to exceed $126,112. The contact shall commence on written notice to proceed and end upon final completion of the work and written acceptance of FPUA.
4. POA No. 21-59: Approve the Contract for Transformer Painting & Inspection Services with Osmose Utilities Services, Inc., of Peachtree City, Georgia, in an amount not to exceed $60,000 annually, through participation in the Florida Municipal Power Agency (FMPA) Joint Purchase Project Invitation to Bid No. 2021-114. The initial term of this contract shall begin upon notice to proceed and end on July 31, 2022, with four 1-year renewals, contingent on extension of the award by FMPA.
5. Approve Post Budgeted Project/Budget Request in the amount of $90,000 to fund the costs of renewing the sewer laterals along South 5th Street between Delaware Avenue and Boston Avenue and the replacement of a gravity sewer manhole at 5th Street and Citrus Avenue.
6. RFQu No. 20-27: Approve Specific Authorization No. FUJ-93-21-03 for Public Wi-Fi Network Design for FPUAnet, with Fujitsu Network Communications, Inc. of Richardson, Texas, in an amount not to exceed $84,145. This Specific Authorization shall commence upon written Notice to Proceed and end upon final completion of the work and acceptance by FPUA.
7. POA No. 18-41: Approve Amendment No. 2 to the Security Guard Services Contract with Excelsior Defense Inc., of Saint Petersburg, Florida, to increase the not to exceed contract amount by $14,533.75, from $35,466.25 to $50,000 annually, and provide for two additional one-year renewal options, contingent on receiving the required certificates of insurance.
8. Approve Post Budgeted Project/Budget Request in the amount of $52,000 to install a gas main extension and service line to provide natural gas for Amazon Distribution Center.

Mrs. Gibbons asked are there any letters of appreciation or old business? Alright Mr. Tompeck if you'd like the floor.

Mr. Tompeck said thank you very much. The first item I do want to mention is that I had a chance to spend a couple of hours with Mr. Lammers this afternoon and he is familiar with the agenda

items. He is not coming in completely cold. He understands that he has to vote on them and go forward.

The first item this afternoon is an update presentation on the EDC from Pete Tesch the President of the St. Lucie County Economic Development Council (EDC).

Mr. Tesch said good afternoon Madam Vice-chair, Mayor, and Commissioners. Mr. Lammers, congratulations on your appointment. I can't think of a better way to kick off your leadership than with a PowerPoint presentation from the EDC. The Mayor heard it a number of times, but there's a lot of good news to share. Thank you for allowing me to make this presentation and have this discussion. So let's get going.

This afternoon I just want to give you a quick economic and demographic update on what is happening in Fort Pierce and St. Lucie County and talk about some projects and most important, the work that we do together with the Economic Development Council and FPUA.

Again, I am Pete Tesch the President of the Economic Development Council of St. Lucie County. The EDC is a public/private partnership dedicated to helping create jobs and provide economic prosperity for St. Lucie County. We are very proud of the partnership that we have with the city of Fort Pierce and FPUA. Our mission together is to help new and expanding businesses and help create high paying jobs and try to create wealth for our citizens and residents. It's a labor of love and it's a lot of work and the great thing about St. Lucie County and the city of Fort Pierce is that we all work together and try to achieve things together for the betterment of the community.

I am very proud to be a resident of the city of Fort Pierce and also a UA rate payer. We are all invested together. So -- well, that's me. Again, I'm President of the EDC.

Let's go to a quick overview of economic and demographic, the dynamics that are really occurring hear in St. Lucie County. Population of 344,000 by the U.S. census in 2020, 670,000 in the Treasure Coast. Labor force, which is very critical is about 156,000. Age distribution is very close to the Florida average with 54% of our population between the ages of 20 and 65 with our median age of 44. Current unemployment rate is about 5.4%. We have about 130,000 households in St. Lucie County and that makes up 68.9%. Of that household income distribution, 64% of those households make less than $75,000 a year. So one of the missions of the EDC is to help create higher paying jobs and this is one area we want to help our citizens is raising that average earnings per worker.

Looking a little bit at growth. Population growth in St. Lucie County has been quite robust. We are looking again at 344,000, 18.50% increase in population since 2016. You know just driving around today the cars are very close together as we drive down US 1 and our major corridors. As you can see having almost a 2.5% year-over-year population growth is becoming readily apparent.

Work Force - One of the reasons why we're seeing such strong economic growth is that we have a comparative advantage in our average earnings per worker. This number is a little bit old. It is a 2020 number, but the average earnings per worker is about $1,954 dollars that equates to $40,000 a year. This is certainly quite a differential when you look at Miami, Martin, Palm Beach and Broward County's. The average wage differential is about $5.50 per hour difference.

Obviously, the cost of living in those other south Florida communities make it even more pronounced in terms of the wage differential. Well, one thing that we have discussed before is that we have a fairly significant portion of our workforce traveling outside of St. Lucie County to go to different areas and I will show you the heat map in just a second, but most of those individuals are travelling to Palm Beach County and Martin, and even as far as Miami and Orlando. So we view this as an asset in the sense that if we can find high-wage high-skilled jobs for these individuals who are commuting, they would probably like to work closer to home. Maybe save some money, time, wear and tear on their car, and help contribute to our local economy. So this is just the heat map that shows the migration patterns. Again, most of that into Martin and Palm Beach County, but again 2% of the work force going to Orlando and Miami every day so God bless those individuals.

Housing Data – Obviously, what is occurring here in Florida, south Florida, and then also St. Lucie County and Fort Pierce is that we've seen a dramatic increase in the median single-family home sales. St. Lucie County, and this number is a little bit old at $305,000. I think the number has already gone up to $320,000. That is very substantial from a public policy standpoint, making sure that we have reasonably priced attainable housing for our workers is a key issue for economic development. So glad I live here as opposed to the other communities, Miami, Martin, Palm Beach and Broward. As you can see they went over a half million dollars. This is an issue that I know impacts UA, the city of Fort Pierce and all of us here in St. Lucie County.

Residential permit activity as far as actually permitting for new single-family homes has been very pronounced. As you can see in 2020 we had over 4,400. That is -- I think we are going to easily surpass that for 2021. I know this number is already approaching 4,000, even though we are at 2,100 as of June of 2021. So it is great that we are increasing the supply in the housing stock of single-family residential homes.

Looking a little bit at projects, we have a lot of great new and expanding businesses. Over the last five years, we've measured EDC assisted projects. When I use the word EDC it's the public-private partnership and it's all of us working together. We had 49 new and expanding businesses either relocate or expand their footprint here in St. Lucie County. That's equated to 3,200 retained jobs, 10.2 million square feet of new industrial and commercial space with a capital investment of over $1 billion. Total jobs of 1,700 and then the projected new jobs of all these businesses are close to 8,000 and when I did this presentation with city of Fort Pierce a few weeks ago, we just finished our economic impact analysis by a third party economic research firm and they estimated that

7,968 jobs will translate into 10,250 as we go forward. It is a lot of jobs and we need the people to fill them. So to me this is a historically significant phenomenon in the fact that we are seeing diversification of the economy and also a lot of higher paying jobs coming to the area.

So those projects are quite diversified. Manufacturing is really making a comeback here in St. Lucie County, 20 projects, but others -- life science, professional services, aviation, marine, headquarters and others. So while it may be known that we attract new businesses, our bread and butter is helping our companies that have been here a while to help them go through the permitting and regulatory process and help them expand. We are glad that we are working with existing companies as long as with our new companies that are relocating to the area.

In just the last six months, we had eight active projects, three expansions, five new companies, and $184 million dollars in capital investment. Things are looking pretty bright economically here. Probably the one that has hit the news the most is the new Amazon distribution center going on I-95 and Midway Road, Midway Business Park 1.1 million square feet, $100 million dollars in capital investment and 500 new jobs.

A cool little company is Chandler Bats that has set up operations in St. Lucie West. They manufacture wooden bats for major league and international baseball. A nice little addition to the community. Cheney Brothers plans to build their newest distribution center in Legacy Park in Tradition. That's going to be close to 430,000 square feet, $55 million dollars in capital investment and 380 jobs. Contender Boats, they are taking an old facility, the old Indian River Packer Building up by the turnpike and Midway Road. They're looking to retrofit that building, 200 jobs and they're going to manufacture boats there. Contender is out of Homestead. D&D Welding and Fabrication a long-time company in Fort Pierce out by the airport is expanding 33,000 square feet. Fed Ex ground, the regional sortation facility is also coming to Legacy Park in Tradition, 245,000 sq. ft., $44 million dollars in capital investment. It says 490 jobs, but they need 800 people and they are planning to open if they get their CO on October 28th. Things are happening rapidly. Another great Fort Pierce Company is Freshco and Indian River Select are expanding their operations by about 16,000 square feet and 20 new jobs. A foreign direct investment project is Israel based manufacturer John Steele. They are going at the Midway Business Park. They're going to construct a 45,000 sq. ft. facility and they'll have 55 new jobs. They have been displaced with supply chain issues. They can't find steel to build the building. It's a common occurrence that we are seeing these days. Maverick Boat Group is going through a phase two expansion that occurred in 2018. Another 106,000 square feet and 150 new jobs and looking to manufacture some more quality boats.

So a lot going on in the industrial and commercial development side. I wanted to share some of the prominent national developers that have come to St. Lucie County and how that will impact our future growth and how we work together to help create more jobs.

Starting to the south with the Sansone Group and Tambone Tradition in the Tradition area. Seefried Industrial Properties, Stonemont and the Silverman Group are all major developers that have millions of square feet of industrial space planned for St. Lucie County and Fort Pierce. It is unbelievable that that number is -- Mayor, when I came in front of the city of Fort Pierce I mentioned that it was about 6-7 million square feet. That number is now going up to close to 9 million square feet. There will be an industrial development monument on every interchange on I-95 aside from Indrio Rd. in St. Lucie West. It is going to be a pretty phenomenal visual traveling down the road and it already is as we go in the future.

So we talked about Cheney Brothers and Fed Ex and what is going on in Tradition. Sansone Group have 5.4 million square feet scheduled for development and a new spec building is going on in Tradition. Seefried Industrial Properties, this is the development company that's building Amazon, they are building 658,000 square feet. This will be spec and built to suit. This will be going south of Love's Truck Stop on Kings Highway south of Orange Avenue.

We have talked about the Interstate Crossroads Business Center, 1.1 million square feet with 550,000 square feet in the beginning right on I-95 in Okeechobee. We are not sure what the end-user is going to be here, but hopefully we will know pretty soon.

Next to the Seefried development on Kings Highway is Stonemont and the South Florida Logistics Center. This is 103 acres and they're building another million square feet on Kings Highway and Orange Avenue. We talked about Tambone Tradition this is interesting in the sense that this is more light office, headquarters, manufacturing and medical right there in the Tradition Center for Commerce.

I am going to stop right there, Madam Vice-Chair to see if there are any questions. I would like to say that going forward, there are a couple of things that the EDC wants to work very closely with the Authority. One from a physical aspect, looking at Kings Highway and then from Okeechobee to Orange Avenue, that is going to be the area of growth for the greater Fort Pierce area when you look at the industrial and commercial activity. Even what I mentioned on Kings Highway isn't inclusive. There's many other projects on there. We view this as, you know, the industrial development corridor for Fort Pierce. When you add in St. Lucie Boulevard and the airport, we want to work together to fully develop this not only to make sure that those developments go well, but to make sure that the infrastructure is there. Because we see this to be a long-term future growth corridor.

The other item is development of downtown Fort Pierce. We have been working very closely with UA, particularly with Kings Landing and attracting a high-end hotel project. So what is occurring with the city of Fort Pierce and the redevelopment efforts, we really see that to be an avenue of opportunity, particularly with Kings Landing, Fisherman's Wharf, Derecktor Shipyards. We have to make that as successful as possible.

So you think about that particular growth in a concentrated area. What can we do together to make sure that the infrastructure needs are there? If there is not enough for us to do, you know, we are trying to get the wastewater treatment facility off of South Hutchinson Island, something we can do on the side. These are things that have tremendous impact from an economic and commercial aspect for the city and I want you to know that the EDC stands shoulder-to-shoulder with you all, the great staff of FPUA and the city to make sure we get this done, help create jobs, and make this the great city that it has always been.

So I will stop there. I will be happy to answer any questions and I do appreciate your time.
Mrs. Gibbons said thank you. Anybody have any questions?

Mrs. Bennett asked are there any other areas in the city of Fort Pierce that the EDC is looking at to try to develop, to create more jobs, to attract different businesses?

Mr. Tesch said yes, ma'am. The overall development of the city of Fort Pierce is real critical. Right now, we are really focused on the human aspect in terms of trying to help companies get workers, semi-skilled workers, and unskilled workers so we have been working very closely, for example, with Lincoln Park Main Street. In that working with Pam Caruthers and others, can we help the residents and the neighbors of that great neighborhood get great jobs. So, I mean, there are a lot of things that can be done from a redevelopment aspect both on the physical assets and the talent side, but that is one that we have been focusing on primarily right now.

Ms. Bennett asked how many of these businesses are in Fort Pierce? I heard you speaking about Port St. Lucie/Tradition. How many of these major jobs are coming to Fort Pierce?

Mr. Tesch said ma'am, probably the most significant one will be the Silverman Group at the Crossroads Commerce Park. I mentioned the 1.1 million square. That's going to have a tremendous impact on the city in that regard. We also work with several other companies over the years. Rockla, now Vosla and Radical Cosmetics and also with Derektor Shipyards.

Ms. Bennett said I know there is a development out at Okeechobee Road where the Goodwill is located at and that building has been -- it has been isolated for many years. Are we trying to attract different businesses to come in and actually establish something there?

Mr. Tesch said I am not familiar with that specific building, ma'am, but I mentioned the Contender project and that went in the old Indian River Packer Building. That was our very last existing building. You really ask a great question because a lot of small and medium-sized businesses they don't need a million square feet or 500,000 square feet. Attracting some other developers that are creating opportunities for our smaller companies is really critical. So I appreciate you bringing that up. In fact, a company by the name of JBL is going through the site planning process to build about 200,000 square feet there at the Crossroads Commerce Center. The property that is right up in front in the southwest quadrant of Okeechobee and I-95, which is going to provide, you

know, warehousing and flex space for smaller companies. So that is really critical because we don't have any more industrial or commercial facilities that are available for these type of businesses.

Ms. Bennett said that is a great location.

Mr. Tesch said yes so we are trying to make sure that happens and also attract businesses into those new facilities.

Mr. Lammers said Madam Chair, I appreciate the presentation, very, very informative. I have two questions. One, in my mind, it seems like there is a disproportionate amount of the development going to Port St. Lucie. I understand they are much bigger than us. Do you agree with my perception on that? The second question is, you know, I know you said that you guys are standing shoulder-to-shoulder with us. From a utility perspective, do you have any recommendations on things we can to do encourage growth within the city of Fort Pierce?

Mr. Tesch said so kind of go to the last part of your question. We have done a lot of great work with FPUA staff and the EDC in our existing companies. When you look at FPUA, there are facilities that may not be in the proper city limits of Fort Pierce; however, jobs don't stop at the corporate limits or county line. For example, we have been involved with Maverick Boat Group and Pursuit and A-1 Roof Truss. Those companies may not be in the corporate limits of the city of Fort Pierce, but you are providing utilities to them. So obviously on the expansion side, that's real critical to make sure if it is electrical, water, sewer, even telecom, that is important.

For example, sometimes we talk to the executive teams of these companies, and they may have issues whether it is capacity, electric, water or sewer. So we have been going in there and working with them to make sure that we alleviate that. The part that I mentioned earlier about some of these major corridors those are the areas for growth. I am obviously not a utility expert, but I would think that the more industrial and larger commercial users that you get is going to help the overall ratepayers and the profitability of the UA. Working very closely with the businesses and making sure we meet their needs and utilities play a really important role in the further development of the area.

Mayor Hudson asked are you doing anything to -- what is the County's projection for that area?

Mr. Tesch said yes, Mayor. St. Lucie County has gone through the process as well as St. Lucie County public schools, the board, to offer up the property for sale. Not all the property, but roughly about 660 acres. So that would include the school board property on Kings Highway and the properties to the west. I think it is about 1600 acres all together. So right now, there is a company by the name of Ashley Capital that would like to secure those 660 acres from the school board and St. Lucie County. Right now the county has been working with the Florida Department of Environmental Protection and Division Land Management and then ultimately with the

governor and the cabinet to release that property and put it up for sale. So I didn't even mention that part because hopefully I will be invited back next year to give an update and we will put that there as part of our assets. Yes that will, with the improvements of Kings Highway Mayor it will add definitely to the industrial development and job creation of the community.

Mayor Hudson said Kings Highway is really hot right now.

Mr. Tesch said there might be some annexation opportunities.

Ms. Bennett said so you are saying that the school board is willing to sell that property -- they will give us the property on Kings Highway?

Mr. Tesch said yes, ma'am. I think that the -- originally the school board had looked at maybe doing some type of technical or voc-tech school on that property, but they've changed their plans. So they are very interested in selling that property and making it into a business campus.

Mrs. Gibbons asked any follow-up? I do have a couple of questions. I will wait until the end, right. Just to build on Barbara's question a little bit. We were talking -- I love that you are talking of trying to train some of our locals to build and be able to take over some of these positions. Are you guys doing anything in the way of advertising for that? Or -- what are -- it sounds like you have some things in motion for training and I am curious what that looks like.

Mr. Tesch said yes, ma'am, given the number of jobs that have been -- are in the process of being created, it will be all hands on deck. We have to work with everyone. Our education on academic institution, our training service providers, other trade associations. Really a very pronounced situation. So one thing that we are involved with on a regional basis is with Indian River State College about doing a regional workforce awareness. Like, hey, work local. So, you know, being able to tell individuals that we have great jobs here and that, you know, if you are willing to look at a career path you can also get the education and training that you need. We look forward to launching this with Indian River State College. Also, we are building within our own organization our Work Local campaign. We are working with major employers with regard to making sure that they get the folks in the door and on the shop floor. Also, we are working with Project Lift. You may have heard of Project Lift where they are doing vocational and technical training. They are out of Palm City, and they have operations in Belle Glade and Rivera Beach in Palm Beach County and they're renovating a facility on Delaware Avenue to do the same thing.

We have been working individually with Derecktor and A-1 Roof Truss and the boat manufacturers about helping these companies with young people that are learning a skill or a trade. What is very interesting about their approach is that they also provide counseling and therapy to make sure you have a holistic approach to making sure that these young people get a great start with a great career. So, yeah, we are looking at all different ways both from the public

and private sector, again, to create an awareness campaign that there are great jobs and how do we work with the right professionals and associations to get those folks over to the workplace.

Mrs. Gibbons said right, for sure. I also thought it was interesting that the population -- we are eating up more than half of the tri-county area. I mean -- I am not looking at a map, but are we twice the size of each of them, I mean.....

Mr. Tesch said yes.

Mrs. Gibbons said okay.

Mr. Tesch said you know the whole area is about 660,000 and we make up 340,000. So more folks to come.

Mrs. Gibbons said right for sure. Well thank you. I appreciate you working so close with the UA as well. I know that you have a real good relationship and your team, so I definitely appreciate that.

Mr. Tesch said thanks for your time. I know you have a lot of other business, but I really appreciate the opportunity to get in front of you. We are very grateful for the partnership and the investment you have with the EDC. We appreciate Mr. Tompeck serving on our committee. He's been very productive, capable and helpful in helping us and advising us and we have great folks in a leadership role. John, we're going to miss you man.

Mr. Tompeck said I will miss you too, Peter.

Mayor Hudson said thank you for living in Fort Pierce. The first EDC Director to do that. Hopefully it won't be the last.

Mr. Tesch said hopefully I won't be the last.

Mrs. Gibbons said you will have to stay for a little bit.

Mr. Tesch said thank you.

Mr. Tompeck said the next item requests your approval to increase the PGA by $.23 per ccf effective November 1 and Fred Gaddis will make the presentation.

Mr. Gaddis said thank you, Mr. Tompeck, Madam Vice-Chair and Members of the Board. I bring before you the natural gas rate stabilization fund update for August 2021.

Staff has rerun the sensitivity analysis which now includes July actuals and preliminary data for August.

Natural gas prices at the Henry Hub have been on the rise starting in April 2021. The price over the last few months average $3.72 a dekatherm. The week ending September 3, saw the storage injection of 52 bcfs. Working gas totals are 16.8% below year-ago levels and 7.4% below the five-year average bringing total working gas inventory to 2,923 bcfs. Injection rates remain low this year as high demand for gas for power burn persists and pipeline and LNG exports remain near record levels.

August curve reflects the increase in the PGA which was approved by the board on August 17, 2021 from negative $.10 a ccf to negative $.03 ccf. You will note that with the supply versus demand issue, the price of gas is up $1.50 since the beginning of April. The RSF is now below the operating range and projected to decrease throughout 2021 and 2022. Based on the current status of the RSF, staff recommends an increase in the purchase gas adjustment of $.23 per ccf from negative $.03 to $.20 per ccf effective November 1, 2021.

Staff and FGU have done a great job keeping the PGA as a negative number since March of 2015. This slide shows the customer's bill of 10, 20, 30 ccfs. The average customer uses about 10 ccfs a month and the difference in their bill would be $2.31 more a month. Although staff recommends the increase to the PGA. The PGA can remain the same if the Board desires.

Does anybody have any questions?

Mrs. Gibbons said questions?

Mayor Hudson said I have a question. How many residential customers do you have?

Mr. Gaddis said we have roughly 4,000 residential customers.

Mayor Hudson said and then the rest are commercial. About how many of that?

Mr. Gaddis said we have about 900 commercial customers and growing because we are going out to Amazon.

Mayor Hudson said that's right, well good. Do you see this holding for the foreseeable future?

Mr. Gaddis said no ma'am.

Mayor Hudson asked do you see it getting worse?

Mr. Tompeck said when we get to the PCA item I have a presentation on natural gas pricing. I think Fred's answer is correct. There is a potential for it getting worse.

Mayor Hudson said if you watch the news, it is no surprise. But I thought maybe you had some sort of magic formula.

Mr. Gaddis said I wish I did.

Mrs. Gibbons asked any further questions?

Mr. Lammers said yes. Fred, if we do not approve this purchase gas adjustment increase, what does that mean for the utility?

Mr. Tompeck said well eventually the curve will be taking money out of our cash reserves. You know we try to keep it in the operating range and based on -- it can go back to that curve, -- you can see we are well out of the operating range and it's going to get considerably worse. At some point in time, we will be taking money out of our cash reserves and the case of natural gas that is not terrible because of the numbers, but when we talk about the PCA in a couple of minutes, that is terrible. Because the numbers are much higher.

Mr. Lammers said then we have a customer monthly gas bill for 10 ccf, 20 ccf and 30 ccf. What is our average customer?

Mr. Gaddis said 10 ccf.

Mr. Lammers said so the average customer will see about a $2 increase?

Mr. Gaddis said yes.

Mrs. Gibbons said I am afraid if we don't do it now it will make everything worse along the way. Here we are getting into season, it is time to –

Mayor Hudson said we have a bunch of those decisions to make. The first of many.

Mrs. Gibbons said shall we entertain a motion?

A motion was made by Mayor Hudson, seconded by Ms. Bennett, Increase the Purchased Gas Adjustment (PGA) $0.23 per ccf from -$0.03 per ccf to +$0.20 per ccf, effective November 1, 2021.

Mr. Tompeck said the next item is a status report on the electric Power Cost Adjustment (PCA) with a request for an increase. Barbara Mika will make the presentation, but I will start out with a short presentation talking about natural gas prices. You know, it's -- didn't want to just come in here and say, well the gas prices are real high so we have to raise the PCA -- I wanted to try to give you some background on it so everybody understands it as best they can. I am not sure I understand it all the time, but, you know, looking -- and the Mayor mentioned it. It doesn't take too much for us all to know that gas prices are going up. If you go to the gasoline pump it is up about 30% and the same thing is happening with natural gas and oil. Most of the problem here is the production is not keeping up with the demand and Barbara you can go to the next slide.

Natural gas prices are up $3.50 per dekatherm, and that is the increase. If you recall about a year or so ago, we were only paying in the $1.80 to $2.00 range. So it's gone up $3.50 per dekatherm. That has a major impact on Florida's energy mix because most of our generation is coming from natural gas. I estimate, based on the information FMPA has provided us, that the increase in natural gas prices will eventually impact our rates to the point of $25.00 per megawatt hour. If you think about that a little bit, you know if we are at about $104 or thereabouts for 1,000 kilowatt hours, the potential is there for this to go up to almost $130. Now, of course, not that it is much -- making anybody happier, but that is not just a FPUA problem or a FMPA problem, or a state, or national problem -- this is really a global issue and we will talk about that for a minute in a second.

The last item on the slide is the important one. We always expect a spike of natural gas prices during the winter and that doesn't normally worry us too much because we usually have enough built in to absorb that, but the future pricing for natural gas is not going down significantly after the season is over. As a matter of fact, and I'll show you, there's a curve coming up here that I'll show it being at $4.00 per dekatherm all the way out through the balance of this fiscal year.

The next slide shows -- you saw this slide with Fred's presentation. This is the current pricing and you can see, it has been gradually going up until about September 1 and that is when the major increases started. To put this in a little bit of perspective, on the next slide you will see the ten year pricing and this is the highest price we have seen in natural gas for the last ten years and we went back a little bit further it's the highest prices we've seen since 2008 when gas prices were $12.00, $14.00, even $16.00 a dekatherm. So this is a highly unusual situation and I think the thing that worries me and bothers me the most is that it's not just a real quick increase it's going to be around for a while.

Next slide, Barbara. This gives you an idea when I was talking about the demand is the driver and production is not keeping up. What you see here is some slides that I was able to get from Jacob Williams at FMPA so they include other things other than natural gas. You can see that natural gas production has been fairly flat over the last several years. On the next slide and I think this one is a key slide for us, this is index to January 2020, but it shows the increases of gasoline, oil and natural gas. When you look at gasoline it's about $1.33. If you think about it, it is about a 30% increase you are paying at the pump. Natural gas is in the $2.71 range and that is really expensive natural gas.

Next slide shows on the right hand side the production. The production has been literally flat since 2019 at about 93, 92 billion cubic feet a day and the other phenomenon that's happening is on the left side of the chart which is a lot of this gas is being put into LNG ships and sent overseas. Where that was about 10 billion cubic feet per today it's gone up much higher it's gone up to 18-20 billion cubic feet a day. We're seeing a lot of the gas go overseas. The reason is, on the next slide, on the right hand slide you can see exactly what Europe and China is willing to pay

for that. You see those prices are at $40 a dekatherm, $22-$24 a dekatherm that they are willing to paying in Europe. A lot of the LNG gases are going overseas and it's up to about 12% to 14% of our production. So that is creating a little more pressure because they are willing to pay up to 600% over the US market.

On the next slide one of the things that I wanted to put in is specific relief for you is what happens when the gas gets this expensive. I went back and looked at the FMPA budgeted amount. In other words, they put together a budget just like we put together a budget and they had budgeted the gas to be at about $3.00 per dekatherm cost and that was pretty flat throughout the fiscal year. The black line shows you right now what the NYMEX forecast is and you can see that's at the $4.00 level. That difference in just $1.00 makes a tremendous amount of difference in the actual cost of gas which is on the next slide.

This is, once again, the budgeted is the blue and the forecast is the red and the difference between these two curves is $130 million dollars. That is going to leave a mark folks. There is no way of being able to absorb that kind of cost.

The last slide in this -- it doesn't have a whole lot of detail in it because there is not a whole lot of mitigation options that are available to FMPA. Most is FMPA because obviously they are our wholesale producer. They are going to be switching some of the generation from gas to coal. Stanton 1 and 2 will be running a little bit more, but even coal is not the perfect answer because coal right now is less than natural gas, but not cheap. It is not nearly as inexpensive as when we were running gas at $2.50 - $3.00 a dekatherm.

FMPA has done a real good job in developing pre-purchase deals. These are natural gas deals that you commit to a certain level of gas each month and what they do is give you a discount on the month based on what the cost is that month. For instance, they may have a pre-purchase deal where they are going to buy so many hundreds of thousands and we are talking millions of dekatherms of gas they buy to run Treasure Coast Energy Center, Cane Island and other units. They will save maybe $.40 or $.50 per dekatherm and that will probably bring in about an additional $6 million dollars. The other thing is they had is a rate protection account that they had started to use. That was based on the sale of Vero Beach several years ago. They had a bunch of money in there and they were trying to replenish that to make sure they had extra money. So they decided to suspend funding of that for at least for a while, but if you look at these things, you know they have $12 million here, $6 million here, it's not going to make up the $130 million dollars in the difference of cost. So that is why we're going to be looking at raising the PCA. I think Barbara is going to go through her normal presentation and the more I think about it a little bit on how we do it and the way we set it up now. I am sorry, I'll let Barbara go ahead and do it and I don't want to get ahead of her too much.

Ms. Mika said steal my thunder. Thank you for that segue, Mr. Tompeck.

Good afternoon Chairman, Board Members. I'm here today to provide you this status update on the Power Cost as of August and the updated 12-month projections through August next year.

FPUA recovers the cost of our purchase power through customer billings. Power costs recovered that are in excess of our base costs are accumulated and when available are credited back to the customer through the PCA adjustment. The cost of power purchase from FMPA for the month of August was billed at a blended rate of $71.82 for 1,000 kilowatt hours. This was an increase of $3.52 from the July billing from FMPA. For the month of August, FPUA experienced an under recovery of power costs of $702,577 reducing our over recovery to just under $2 million dollars as of August 31.

This chart tracks the monthly cumulative balance of the PCA over recovery in relation to the approved power cost adjustment levels. Looking back two years with actuals back to August of 2019, with projections forward for 12 months through August of 2022. The amount of the power cost adjustment is represented by the darker blue line which, for month of August, was negative $12.00 per 1,000 kilowatt hour. The bars on the top represent the levels of the over recovery with the blue bars being the actual monthly balances and the orange bar is depicting what the projected over recovery would be if our forecasted numbers are correct.

These projections have been prepared by Raftelis Financial Consultants, but were based on forecasts prepared by FMPA. Since the July's forecast, FMPA's estimate of the cost of purchase power for the upcoming 12 months have increased 16%.

This graph represents a comparison of the current projections trending the power cost recovery through August of 2022. The graph clearly shows in the short term that our October results put FPUA below the $1 million dollar rate stabilization floor. Negative recoveries below that zero mark will erode our cash reserves and essentially we will be providing electric services at a loss.

All of these scenarios have negative $6.00 PCA effective October 1 with each of these paths indicative of the projected increases in the cost of purchase power for November and forward.

The gray line on the bottom shows no change beyond October, with the PCA remaining at negative $6.00 and no other change. The green, red and orange lines indicate that track that sort of changes -- or increase will be indicated by that key on the side. The red line with this agenda item was recommended with the board packet of a $6.00 increase effective on November and pursuing for 12 months. The green line takes a bigger increment now with $15.00 in November and no change after that. The orange line is similar to the green line, it just skips a month in between. So these are just different scenarios, November, January, and March versus the first three consecutive months.

This graph shows the monthly forecast that has been prepared by FMPA for July, August and September of this year. Each month FMPA updates their forecast with revised data which we, in turn, use for this power cost presentation. You can see on the bottom that July's forecast, which

is the blue line, for October -- back in July they thought that the October cost of power would be $74.09 and when they updated August, which they use for the presentation, they now say it's going to be $87.96. Now we have available, which is not included in this presentation, but we have the information September's forecast is now $96.50. Now they are saying for October and September. So you can see going out to February, the steady increase that these forecasts have changed each month going up.

The annual average projected costs for fiscal year '22 have increased from July to September by 24.6% bringing the estimated cost of our purchase power for next fiscal year to $55.1 million dollars. It's estimated based on their projections now. Some of that rule has to do with growth and increased sales, but the majority of this increase is in cost. It is the recommendation of staff to increase the power cost adjustment currently by $6.00 effective November 1st that would bring the PCA to zero or if it's the Board's decision to approve some other amount of the increase with continued and constant evaluation of these changes in forecast, I would like to seek your approval for an increase in the PCA.

Mr. Tompeck said I think the critical issue here is if we raise the PCA by $6.00 now, I can almost guarantee we'll be back to raise it $6.00 in December and $6.00 in January. That is what the forecast shows us. When we did the gas one, the way they did it it's easier to do with gas because the numbers are so much smaller. They essentially pulled the scab off at once so we only hurt once. We can do part of that by raising the rate $15.00 right now. But I know that, you know, that may not be what you folks want to do. You would rather go to the $6.00 and then see what happens. There is also a potential, based on the numbers we now have, that that $6.00 may be $9.00 next month. So it is really up to the Board which way you would like us to proceed.

Mayor Hudson said I have a question. Does FMPA or FPUA are you thinking of ways to communicate this to the customer in terms of -- because this is -- just some ways to make sure they understand the reason why and or how they can keep their power cost -- a renewed effort. I know we are doing that all the time, but some kind of renewed effort.

Mr. Tompeck said we actually haven't thought about that. We could maybe do a bill stuffer with the next round of bills or put part of it in a bill stuffer to explain this a little bit. It's -- like I said, it is not a FPUA issue necessarily, but they are going to hurt like everybody else.

Mrs. Gibbons said yeah some kind of marketing campaign would be great.

Mayor Hudson said so we are acknowledging that everybody is feeling the pain. I'm assuming that Florida Power and Light and other companies will be experiencing the same thing.

Mr. Tompeck said absolutely.

Mayor Hudson said right we are not alone.

Mr. Tompeck said not alone.

Ms. Bennett said I have a question. I know you said you could advertise to the public by stuffing the next billing. Is there any other way that we can get it out, because many people when they get their bill they pull the bill out and they don't look at the extra papers that are in there. They just want to see the bottom line and we need to advertise to let them know that this is going to take place. That will keep down some of the problems that we are having when we see the rate increase in the bill. They will know. So what other ways of marketing are you going to do to get the word out to the public?

Mr. Tompeck said well I am hurt that people aren't reading our bill stuffers. There are other avenues and we can make posts on Facebook and put information on our web site. I don't know, we can also look at some other items. I haven't thought of anything other than that, but we can certainly go back and review that and see if there are some other ways for the customers to understand what we are doing.

Mrs. Gibbons said I think a text blast may be helpful.

Mayor Hudson said and also maybe a short video of somebody in a real simple language saying -- explaining. Because if anybody is watching the news, that this should not be a surprise, but it is still a surprise.

Mr. Tompeck said we will take a look at those and I'll get back with you to let you know what we are doing.

Mayor Hudson said and also for people to reduce their usage and be conscious of it.

Mrs. Gibbons said yes some power saving techniques, yeah. I definitely think that will be helpful as well.

Mr. Koblegard said at the current PCA level that we've had since January we have had two months of 22,000 and 102,000 and the other ones were all losses, the total loss $1,736,000. You can see the fee schedule we set throughout the year, we have lost $100 million and that's before we have this terrible issue today.

Mr. Tompeck said yeah, I think that is a good point. As a matter of fact, the PCA has been negative for almost four years and during that time we have given back about $3 million dollars. It doesn't help their next bill, but we have given back quite a bit of money over the last four years.

Mayor Hudson said it might be helpful to remind people that when we could we did.

Mr. Lammers said I absolutely agree. We have to find another way to communicate than just the bill stuffer. That is not nearly as good enough especially when you're talking about essentially almost a 25% increase to the 1,000 kilowatt-hour bill. Then letting our customers know that this is not -- we are not taking this lightly, you know. Like you said Mr. Tompeck, over the past 4 years

the PCA has been negative. When we can, we do anything to make sure that the customers' bill stays low and right now that's just not an available option to us.

Mrs. Gibbons said I am a little concerned to do the $6, $6. I don't know that $15 maybe isn't necessary, but I would prefer if we could to stabilize it a little bit. I am concerned with every month there is another increase, another increase and then -- what that looks like too and then they can't actually get comfortable with where the rates are. Not that I am saying we should pull the trigger and go up $20. I think I would like to have that discussion with you guys and see what you think about which way to go.

Mayor Hudson asked would you go to $12?

Mrs. Gibbons said I think $12 would be good.

Mr. Lammers said well, I would go a little bit in the opposite direction to echo what my predecessor used to say. I am a bigger fan of raising the PCA in the cooler months when the bills are not as high. So if we can limit the amount that we raise the PCA now when it is still a little bit warm and move any raises in the PCA that we have to do towards the cooler months I'm a bigger fan of that.

Mrs. Gibbons said so maybe we do the $6 and then we tell them the next month it's going to be $12, and then that way we're set up. I am concerned of dipping too far in the negative and we only have a number for September right now and we're about to be rolling up in November.

Mr. Lammers said so that was going to be one of my comments, Ms. Mika, I would have liked to have seen one of these lines even though it would have been a large number and I know there is a very low likelihood that we would have approved it. One of these lines stay in between those two light-blue dotted lines where we'd like to try to keep the rate stabilization fund. So just for in the future, really show us, you know, which of these recommendations would have kept us in between those two light blue lines.

Mayor Hudson asked what would you guess it would be Ms. Mika? Just pick a number.

Ms. Mika said $20.

Mr. Lammers said that looks about right, at $15 in November, you know, at least for December and January it keeps us just below that rate stabilization floor I think you called it. Then $20 will probably keep us in between those two lines.

Ms. Mika said when it dips, it will dip fast. You have an interval in between this being presented making changes. If it is dipping it will dip significantly in a short period of time.

Mayor Hudson asked so this will take place in November?

Ms. Mika said November 1.

Mayor Hudson said so any change -- the next change will take place as of December 1 if we approve it. Is that right? So that will definitely be in a cooler month.

Mr. Lammers said and maybe even in December....I'm sorry go ahead.

Ms. Bennett said so we are looking at $6 now, $12 in December and then –

Mrs. Gibbons said I think it warrants it.

Mayor Hudson said we're doing more than $6 right now.

Mrs. Gibbons said we're trying to keep it a little bit lower. We are debating both scenarios.

Mr. Tompeck said and just to make it clear you are only approving one month. You are not approving this whole $6, $6 and $6. You're approving just ..... This is volatile, this could change either way very quickly.

Mrs. Gibbons said I feel like we are very conservative in our October raise, because we wanted to wait and see what happened.

Ms. Mika said when they see the September numbers as well.

Mrs. Gibbons said yeah right.

Ms. Bennett said and we will have more of the northerners that have come down. So they may be able to help out with the costs as well.

Mayor Hudson said that was Ms. Cavalcanti's rule of thumb right. So Mr. Lammers what number are you thinking about for this month for this raise?

Mr. Lammers said you know this is a tough situation my first meeting and you ask me to raise our rates. I would be inclined to go with staff's recommendation that we do the $6.00 increase to the PCA now and that with the understanding that according to the projections, we will have to make further increases in the future. I am not a big fan of doing all the increases now for two reasons. Like we talked about, I would rather have the PCA increases in the cooler months where the bills are naturally lower anyway and we will have more information as far as what the gas prices will do then.

Mrs. Gibbons asked what do you ladies think?

Mayor Hudson said I am good with that. We have to face something in December. We know it. We may have to face something bigger in December. We don't know and that will be a cooler month and right now we can.....

Mrs. Gibbons said I would like to couple this with a heavy marketing campaign. More in a positive light. Not in, hey, your rates are going to go up. We will have to be very savvy with how we word it and we describe it and explain what is going on.

Ms. Bennett said also, I would like to know when we will start marketing this.

Mrs. Gibbons said I would hope sooner rather than later. I'd love to see that kind of happening in the next week or so before November. So do we have a motion?

A motion was made by Mr. Lammers, seconded by Ms. Bennett, to approve an increase in the Power Cost Adjustment (PCA) of $6 per 1,000 kWh, from -$6.00 to $0.00 per 1,000 kWh, effective November 1, 2021.

Mrs. Gibbons said if it makes you feel any better I also had to raise the PCA my first meeting, but it wasn't that bad and I had the EDC presentation. It is like a mirror.

Mr. Tompeck said the next item is the August 2021 Financial Operating Results. Barbara Mika will make the information-only presentation.

Ms. Mika said thank you Mr. Tompeck. I would like to present – to move on to the financial operating results for the month of August and the year-to-date ending August 31, 2021.

The financial highlights for the 11 months to date for fiscal year 2021. Our year-to-date operating revenues through August were $94.5 million. Which brought an increase of almost $3.1 million over the same 11 month period from 2020. We experienced increases in unit sales for electric, gas and water operating systems and increases in the amount of wastewater units billed for the month of August which produced an additional $379,000 added to the year-to-date operating revenue for our residential and general service sales for August.

Our operating expenses increased as well in comparison to the first 11 months of fiscal year 2021 by $3.3 million. Primarily due to increases in purchases for resale, depreciation expense and maintenance contracts.

Our capital contributions for the first ten months of 2021 were greater than the prior year by $2.6 million which was a $50,000 increase for the month of August from the previous year-to-date in July.

The annual distribution to the City which was paid in April after adjusting for the one month of expense for September are showing our year-to-date increase in net position was $6.6 million year-to-date.

Electric operating revenues less the power cost and consumption. This is our three-year comparison of the year-to-date electric revenues adjusted for the cost of the purchase power in relation to our consumption. Fiscal year 2020, consumption was flat compared to 2019 with the adjusted revenue dipping by 2% in 2020. In the current year-to-date, the adjusted revenue and consumption were both greater when compared to the same period of last year. Adjusted

revenues were up 3% and the corresponding consumption was higher by 2% that was mostly general service sales.

While the cost of purchase power for fiscal year 2020 was a $1.8 million dollar savings over fiscal year '19, the cost comparison of the electric purchases for resale for the current year-to-date through August was slightly higher, $347,000 compared to the same 11-month period last year.

Our water operating revenues and consumption fiscal year 2020 water services billed and operating revenues were up nicely from fiscal year '19 with steady increases in both sales and revenues. Unit sales were up by 5%. Revenues were up by 7%. The fiscal year 2021 year-to-date services billed and operating revenues continue to trend up with consumption higher yet by 4% and operating revenues up an additional 5% when compared to fiscal year 2020. Increases were mostly in the area of general service sales.

Wastewater operating revenues and the gallons that were billed. Fiscal 2020 wastewater operating revenues were 5% lower than the prior year and that was due to the year-to-date capacity reductions taken in 2019. Excluding those GRC's in 2019, the operating revenue actually would have been flat in 2020 compared to '19. In the current year, wastewater gallons billed increased 6% with operating revenues greater in this comparison by $627,000 which is a 5% increase over last year and mostly general service sales the reason for that increase.

Natural operating revenues, less that cost of gas and compared to our consumption. Fiscal year 2020 natural operating revenues adjusted for the cost of gas purchased along with the consumption for the 11 months was flat in comparison for fiscal year '19. In the current year, the 2021 revenues in consumption rose over the prior year. Adjusted gas revenues were greater by 6% with the year-to-date consumption higher by 8%.

The increase in general service sales accounts for about 32% of the total year-over-year increase of all our systems for general service sales. The cost of gas purchased for the 11 month period reporting experienced a 9% savings in the cost to purchase gas in fiscal year '20 over the previous year in '19. Gas cost purchased for the first 11 months of this year have crept back up with an increase of almost $522,000 or 17% over last year for gas costs.

Our operating income and our debt service. Our debt service coverage ratio, as you know, is the ratio of our 12-month rolling average of net available operating income in relation to our debt service. For the 12 months ended August 2021 our debt service ratio was 3.22 times and the ratio for the 12 months ended September 2020 was 3.16. Our bond covenence requires we have a minimum ratio of 1.25 so we are well within our compliance for the debt service.

This item was for your information only; however, I will address any questions that you may have.

Mrs. Gibbons asked anybody have any questions? Thank you.

Mr. Tompeck said the next item are the bill comparisons for the month of August 2021 and Michelle Harris will make this information presentation.

Ms. Harris said thank you Mr. Tompeck, Madam Chair, Board Members and welcome Mr. Lammers.

I am presenting to you today the monthly update on the comparisons of the Florida municipal electric rates published by FMEA and the local Treasure Coast bills for August.

This first graph shows a 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 August rates of $104.84 shown with the yellow bar, ranks FPUA with the lowest rate of this group for two months in a row. I think we should celebrate while we can.

Mrs. Gibbons said we need it now.

Ms. Harris said yes.

Mrs. Gibbons said take the win!

Mr. Tompeck said I think it's.....I understand what you are thinking about, but the rates may be different, but it's really where we sit against our municipal utilities. I'm hoping that even if the rates are different that we are still on the left hand side of these graphs.

Mayor Hudson said because they will be facing the same thing we are.

Ms. Harris said this graph displays a comparison for that level of consumption, but includes all the municipal utilities in the state. Our August bill, again, at $104.84 ranks FPUA with the fifth lowest in comparison to the other 31 municipality utilities.

The blue bar represents where we'll be with the October approved adjustments to the PCA, but just like Mr. Tompeck says hopefully everybody else kind of moves in the same direction. In August while we maintained our rates, 9 of the other 31 municipal utilities implemented rate changes. The overall impact to those rate adjustments resulted in a decrease of $.50 to the ARP average and a small decrease of $.18 for the municipal average.

This graph presents a similar comparison, but for consumption of 2,500 kilowatt hours. FPUA's bill at $264.80 ranks us 9th lowest among the group. Our rates for both 1,000 and 2,500 kilowatt fall below all three averages, the ARP average, the municipal average and the IOU average.

The table displayed is the August comparison of the average residential utility bills on the Treasure Coast. FPUA's utility bill for all three services provided inside the city limits is shown in the first column in blue. All the other bills in this table have electric services by FPL and water and wastewater services by the localities provider. This comparison includes the bills for the average consumption for electric, water and wastewater services for residential customers. There have been no rate changes to the August bill since the July one was presented.

This is for information only, but I'll be glad to address any questions that you may have.

Mrs. Gibbons asked does anybody have any questions? Thank you. The only good news of the day, I guess. We will take it.

Mr. Tompeck said the next item is approval of a utility replacement project between 8th and 13th Street and Lugey Dawson will make the presentation.

Mr. Dawson said thank you Mr. Tompeck. Good afternoon Madam Chair and Members of the Board. Today I'm here to present to you the Avenue B utility replacement project.

FPUA water, wastewater and engineering budgets $600,000 a year to replace water and sewer mains that have reached the end of their useful life within the limits of the city of Fort Pierce. The project includes replacement of approximately 900 feet of water main to include new water services, fire hydrants, and the connection to the side streets along this corridor. The project also includes the replacement of gravity sewer manholes and the installation of water -- sorry sewer laterals. Therefore, staff recommends the approval of Avenue B utility replacement project. Funding is available in the water, wastewater, engineering FY '22 capital budget under the city roadway projects. The funding requests of $251,000 for water and $283,000 for wastewater is required to fund the design, permitting, inspection and construction of this project. FPUA's unit price contractor has funds available on the existing purchase order which can be transferred to this project. The use of MasTec North America is the most effective method to construct the improvements necessary to improve the water and sewer system in this area.

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

Mrs. Gibbons asked any questions?

Ms. Bennett said yes. How much will the ratepayers pay on this project? This project would all be funded by ratepayers. This is a rehab project.

Mrs. Gibbons said they have the money set aside. They have $600,000 every year annually that they accrue for these types of updates. So this is already set aside based off of the rates that they anticipated.

Ms. Bennett said thank you.

Mr. Lammers said Mr. Dawson, this project is done in conjunction with the City of Fort Pierce, correct?

Mr. Dawson said yes sir.

Mr. Lammers said so they are coming in there and doing roadway improvements and things like that so that we have an opportunity to go and replace these water and sewer facilities, but we will not have to replace the road?

Mr. Dawson said no, no sir. We may have to pay for some of the asphalt repairs depending on the timing. If we -- for argument sake, we have to get in there a couple of months before the city, we may have to do a temporary asphalt repair. In that case, we may not.....we will have to pay for that. If the city has to come in right after we are done chances are we may not have to, but that is a decision that is made at a higher level.

Mr. Lammers said but is it safe to say that even if we're significantly earlier in construction than they are, that our roadway repair costs, because we are doing it in conjunction with them, will still be a lot lower than they would have if we were doing this without them being involved?

Mr. Dawson said that is 100% correct. Yes sir.

Mayor Hudson said it's really important -- I am glad you brought that up. I am sure you do try to coincide as much with the city to save both costs. Right?

Mr. Dawson said as much as we can, yes ma'am.

Mayor Hudson said as much as you can, yup.

Mr. Dawson said yes ma'am.

A motion was made by Mayor Hudson, seconded by Mr. Lammers, to approve the Avenue B Utility Replacement Project and associated Post Budgeted Project/Budget Request in the amount of $534,000.

Mr. Tompeck said the next item is approval of the documents associated with the 2022 employee benefit plan. Lois Wolfe will make the presentation and we have Kathleen Meola of Relation Insurance here to answer any questions that you may have.

Mrs. Wolfe said thank you, Mr. Tompeck, Madam Chair and Members of the Board. I'm here tonight with the second piece of good news for you regarding our medical plan and I will start by telling you that medical trend is at around 9% and our medical plan is at negative 3.7%. Kudos to our medical staff, as well as in conjunction with Florida Blue who has given us funds towards our wellness plan. Actually we are going to be getting another $20,000 for 2022. Followed by $15,000 for each of the next three years following that and those funds go towards a very robust wellness

plan that our employees use and have done a remarkable job in taking care of themselves and utilizing medical resources to help keep our plan in very good shape. I think that is a remarkable achievement especially in this last year, year and a half with COVID so it is again a remarkable achievement.

We come here tonight because we have gotten a great rate with High Mmark through Blue Cross for our stop loss premium. The one change we made was that we did accept a higher deductible on our stop loss coverage. They locked us in at a great premium. We did accept another $15,000 of liability on our claims at $140,000 and that did save us approximately $100,000 in premium. So that is the one change on that stop loss. They did lock us in on claims through August as long as we do get that approval this evening. That is the first approval on our board submission -- the second one here is accepting the stop loss proposal and agreement with Florida Blue at a stop loss coverage at a $140,000 specific deductible level at a cost of $902,250 for the plan year. This is based on claims experienced through August 31, 2021. This is a firm commitment from High Mark if it is accepted by October 21. The other piece to it is payment of administrative fees to Florida Blue at a cost of $67.05 per employee per month for an annual estimated cost of $222,070 based on 276 members. There is no change in that cost from this year. That runs through December 31, 2022. Also, to remove Blue Medicare Group master agreement, those are premiums paid by our retirees for the Medicare premiums fully paid by those members.

Also, there will be a reduction in the administrative services agreements for our dental administrative fee. The rate is dropping to $6.05 per employee per month from $6.33. We did make a change to the coverage on our self-insured dental plan to keep pace with the cost of dental care. Right now we have a $1,000 per year maximum. The recommendation from Relation Insurance was to increase that by $500 to $1,500 a year so that is one change to the plan as well.

Modifying the life and AD&D and coverage through US Able from a flat $20,000 to a one-times annual salary. Again that is to keep pace with the standard for insurance coverage. That will be to a maximum of $100,000. The board members would remain at the flat $20,000 coverage.

We will continue all the other benefits under the program with no changes that would include the EAP, the medical and dependent care spending accounts, the vision plan. There are no changes to the employee premiums.

So to recap what we are seeking approval for, again, renewing the stop loss coverage through High Mark at $145,000 specific deductible level, renewing the administrative services through Florida Blue for medical and Florida Combined Life for the dental. Maintain the current medical funding and the employee/employer contributions, increase the dental calendar maximum to $1,500 while maintaining the current employee contributions, modify with basic life and AD&D benefit to one-time salary to $100,000 maximum for all reactive employees and the board members remaining at $20,000 dollars. Modifying the retiring, basic life and AD&D benefit to $5,000. Right now when a retiree begins to collect their pension they have an option to take life

insurance and right now it is $1,000 at a premium of $.28. It has been that way for a long time, it's almost an embarrassment to offer them that. Right now it'll go to $5,000 for a premium of $.95. Almost a no brainer and, again, that comes right out of their pension and we don't pay any of that and then renewing the Blue Medicare group master agreement.

Mrs. Wolfe said any questions or Kathleen can elaborate on anything you might need or have questions on.

Mayor Hudson said I have a question on page 3. I think I asked this before. I always have trouble with it. So the box at the bottom says per pay employee contribution. Is that per pay period? Or is that the same for the one above, the funding?

Ms. Meola said the funding is monthly.

Mayor Hudson said the funding is monthly, but the box below is per pay period.

Ms. Meola said yes ma'am.

Mrs. Gibbons asked any further questions?

Mr. Koblegard said I noticed I still need to sign that amendment to the service agreement. It says it needs any signature. I thought I took care of that.

Mr. Tompeck said I thought you had signed them all, but we will check on it. We will check on it for sure.

Mrs. Wolfe said I know some of them came through earlier.

Ms. Meola said I haven't received anything signed on my end yet.

Mrs. Wolfe said we will check on what may have gotten signed already.

Mr. Koblegard said if it is approved, I can sign it now.

Mrs. Wolfe said yes as long as everything gets approved.

Mayor Hudson said we have your signature on this page. I'd be happy to move to approval.

Mr. Lammers said I have a couple of comments, questions. Mrs. Wolfe it seems like we do a pretty good job compared to the rest of the industry on keeping premium costs down. I know you mentioned the wellness program. Do you have any other things that staff does or we do as a company that really significantly impacts how little we have to raise our cost of insurance.

Mrs. Wolfe said it's a matter of communication, education, we do incentives for employees, particularly in participation in the wellness program. Another point is the use of generic drugs because drug prices are really skyrocketing and if I recall, I believe Kathleen may have had 83% participation in the generic drug program and that may exceed benchmark on use of generic

drugs which is another way that we keep our costs down as well. The participation and use of the urgent care centers because we have -- they are under contract with our Fort Pierce urgent care and the other site in Vero, so employees can be seen there and it keeps individuals out of the emergency room for non-urgent situations which is a tremendous savings. So we keep those reminders out there and that makes a huge impact on our costs.

Mr. Lammers said thank you for that. My last comment was it was a little difficult for me to follow along in the packet. So -- and I am not -- I don't see the staff's recommendation summarized in the packet anywhere.

Ms. Meola said it's on page 5 at the very bottom.

Mayor Hudson said I think she was working from that page 5 and we were trying to find it as we were working through the document....that's what I was doing.

Mrs. Gibbons said summary of recommendation.

Mr. Lammers said I see great, perfect. That is what I was looking for then. Thank you.

Mrs. Gibbons asked do we have a motion?

A motion was made by Mayor Hudson, seconded by Ms. Bennett, to approve the 2022 Employee Benefit Plan, Stop Loss and Blue Medicare Master Agreements.

Mr. Tompeck said also, if I can, thank Lois and Kathleen. They have done a terrific job not just this past year, but over the last few years. They do the great job of getting the best bang for our buck on programs and constantly increasing our programs and constantly increasing our benefits without costing us everything. I think that is terrific. You know we -- this year you approved a 4% increase a couple of months ago. Well, at least we are not going to have to spend all of our 4% increase on medical expenses. A real 4% increase this year as opposed to the last few year where they got three and a half and their medical insurance cost more. So these two deserve a whole lot of credit for that and I appreciate it.

Mrs. Gibbons said thank you for that.

Mrs. Wolfe said and I might add it's a real challenge managing a self-insured program. It can be a real risk. A fully insured program you leave in the hands of the company managing a self-insured program with the unpredictability is a true challenge and a big thanks to Kathleen because she really goes after them for the best rates.

Mayor Hudson said you just keep it up.

Mr. Tompeck said the next items are three resolutions which increase our water, wastewater and gas rates by the Public Service Commission Index of 1.17. Barbara Mika will make the presentation.

Ms. Mika said thank you Mr. Tompeck and good afternoon again Chairman, Board Members. I'm presenting for your approval rate adjustments for water, wastewater and natural gas. The adjustment resolutions that are being recommended today are based upon the Florida Public Service Commission's Index which is FPUA's adopted annual index provision. The index rate published for 2021 is 1.17%. We are recommending this implementation effective November 1, 2021.

We followed the proper guidelines set by Florida statute in notifying customers of these resolutions and today's public hearing. We have addressed our required additional means of notification. In September, this notice of public hearing was included as a bill insert with every bill mailed to customers. Customers who do not receive a bill and go online to pay receive the same notice when they address their September bill. This was also posted on the FPUA web site. On Sunday, October 3rd a display ad was placed in the St. Lucie Tribune in addition to and on the same day an ad was placed in the legal section of the St. Lucie Tribune. We announced this notice on Facebook all leading up to today's public hearing.

FPUA have evaluated rates for all systems through rate studies with the purpose of making each system self-sufficient. The revenue sufficiency analysis implemented with the FY '22 budget year identified that water and natural gas systems were not sustainably operating. Revenue projections were based upon prior years' experience with some growth for the gas system, but no significant growth were assumed for the other systems in the current budget year.

The sufficiency analysis focuses on the base rate and its ability to cover the major annual expenditures for each system. Last year in fiscal 2021, similar resolutions were implemented for water, wastewater and natural gas at an index of 1.79%. The broad picture of the rate sufficiency analysis was at the current rates were estimated to sustainably fund only about 40% of the rate funded capital budget for fiscal year '22. The focus of the study was on customer sales and revenues that were sufficient to cover the budgeted operating expenses, debt service payments, the distribution to the city and the capital needs.

The five-year capital improvement plan was approved for $110.9 million with about 55% or $61 million expected to be funded by rates over the five-year period. That amounts to an average of $12.1 million in rate funded projects each year for five years. The funds for these pay as you go projects come from rates or they will reduce our unrestricted cash if they are continued. These proposed rate projections include funding 40% of those projects. Also included in the CIP are future debt-funded projects for AMI which touches the electric, natural gas and water systems for about $6 million and some natural gas, water and wastewater customer expansion projects for $20.9 million.

This chart of the five-year capital improvement plan shows the projected funding of the capital plan by system. It is expected that over the next five years water revenues will need to fund $20.1 million of capital, electric system revenues $18.2 million, wastewater to the tune of $12.5 million. This is over the full five years. Natural gas at $3.1 million and FPUAnet at $2.2 million dollars.

This is the proposed cost recovery from our rate sufficiency analysis. Based upon the updated sufficiency analysis, the existing rates are not adequate to meet the total budgeted revenue requirements of the system. The analysis was prepared by Raftelis financial consultants to evaluate each system's ability to meet the projected operating and capital needs limiting the FY '22 increases for water, wastewater and natural gas to the 1.17% public service commission index. In addition, the rate adjustments deemed necessary for water and natural gas, is an index adjustment for wastewater.

Ten years ago, FPUA did a multiyear restructuring of our rates to keep the bill balanced and this involved reducing electric rates and implementing increases for water, wastewater and gas. Since then our wastewater system has operated and has been able to cover their operating costs and expenditures. However, in light of the strategic plan for the relocation of the island water reclamation facility and the anticipation of the financial needs of this endeavor, management has decided as we did last year to continue to include wastewater systems in this annual public service commission rate adjustment. The future impact of the mainland water reclamation facility and the increased rates that will be required to carry these costs associated with the relocation cannot be done in one or two years. It needs to be done over time. The cost needs to be implemented gradually so at this time the index for wastewater is being recommended to allow the adjustments to be part of it phasing it in over time. This model also addresses our need to maintain our days of cash to remain in compliance with the bond covenence and the FPUA best practices.

This chart is a comparison of the current 2021 water and wastewater rates for FPUA and our neighboring utilities. FPUA even with the proposed increases for water and wastewater are in the median range for those combined rates. This data was extracted from our current data files that we use to prepare from our local utility bills that we report regularly that Michelle just presented and also we did some research with these utilities online with their web sites to gather the rest of the information. Even with this increase for water and wastewater combined, we are still in the mid-range. Why do we need these rate increases? FPUA needs to maintain the integrity of our operating systems and the high quality and reliability of services that we provide to our customers through renewals and replacements in our infrastructure.

We need to keep up with inflation. The cost of materials are constantly on the rise. If cost goes up and revenues do not change, our cash reserves will diminish. We need to expand our services where we can. Build where we can so we can expand our customer base and generate new revenues.

FPUA must also maintain adequate cash reserves to cover our operating and capital needs and also most importantly need to be in compliance with the city charter and our bond resolutions in order to maintain a sustainable utility system.

So how will this impact our typical bill? There is no impact on electric because we are not proposing this increase to the electric system, but for the water, wastewater combined, the increase is $1.02 for typical 6,000 gallons of consumption on the water and wastewater usage and gas will be impacted by $.29 with this proposal here and that is with the PGA of the negative $.03 which was just approved to be a change. That impact would be another $3.28 or $3.29 on the gas bill that's including the gas adjustments that was just approved, but overall without that it is only $1.31.

In conclusion, FPUA's rates are not sufficient to meet the current financial needs of the specific utility systems. We are asking the Board to consider the individual adoption of the proposed rate increases which are based upon the 2021 Public Service Commission Index of 1.17% with an effective date of November 1, 2021. Will continue to be physically responsible for the utility system of operations and conduct a review of our utility rates annually and if you have any questions or concerns before you decide, please let me know.

Mrs. Gibbons asked any questions?

Attorney Koblegard asked can I ask a question. In Barbara's presentation, there is a page in there -- the advertising requirements for these resolutions and that's a good blueprint for what we need to do for the PCA and one of those was taking out an ad in the local newspaper. I say put it in this big. Make it in red so everybody can't miss it. Even a full page or two pages. At least that shows we're trying our best to get the word out. I think anyone that reads the paper isn't going to miss that. Just a thought.

Mrs. Gibbons asked any questions?

Mrs. Bennett said so we can advertise on local stations.

Mayor Hudson said well, I have my bill insert this minute. I am one customer that did read it and I open the mail now and so I did read it. I knew this was coming and it was nice big print. Whoever designed it I appreciate that.

Mrs. Gibbons asked are we going to entertain a motion for approval?

Mr. Koblegard said each one has to be taken separately.

Mayor Hudson asked we have to do three different votes?

Attorney Koblegard said yes ma'am.

Ms. Sabota read Resolution No. UA 2021-06 a resolution amending, superseding and rescinding the schedule of rates and charges for water services furnished by Fort Pierce Utilities Authority, Fort Pierce, Florida, in Resolution No. UA 2020-10, in accordance with the Charter of the City of Fort Pierce, Florida, Article XII; providing for a 1.17% increase in the customer and volume charges; and providing for an effective date hereof.

A motion was made by Mayor Hudson, seconded by Mr. Lammers, and unanimously carried to adopt Resolution No. UA 2021-06, which provides for a 1.17% increase in the Water customer and volume charges.

Ms. Sabota read Resolution No. UA 2021-07 a resolution amending, superseding and rescinding the schedule of rates and charges for natural gas services furnished by Fort Pierce Utilities Authority, Fort Pierce, Florida, in Resolution No. UA 2020-12, in accordance with the Charter of the City of Fort Pierce, Florida, Article XII; providing for a 1.17% increase in the customer and commodity charges based on the 2021 Florida Public Service Commission Annual Price Index; and providing for an effective date hereof.

A motion was made by Mr. Lammers, seconded by Ms. Bennett, and unanimously carried to adopt Resolution No. UA 2021-07, which provides for a 1.17% increase in the natural gas customer and commodity charges.

Mayor Hudson said before we read the wastewater one, I want to clarify. This is not -- we don't need this, but this is in preparation of the moving of the wastewater treatment plant. Is that what you said? So I think that is something important that this Board ought to realize. We are already making preparations. We have a good-faith effort to move the wastewater treatment and a lot of other ways and the rate payer is now participating in that.

Ms. Sabota read Resolution No. UA 2021-08 a resolution amending, superseding and rescinding the schedule of rates and charges for wastewater services furnished by Fort Pierce Utilities Authority, Fort Pierce, Florida, in Resolution No. UA 2020-11, in accordance with the Charter of the City of Fort Pierce, Florida, Article XII; providing for a 1.17% increase in the customer and usage charges; and providing for an effective date hereof.

A motion was made by Ms. Bennett, seconded by Mr. Lammers, and unanimously carried to adopt Resolution No. UA 2021-08, which provides for a 1.17% increase in the wastewater customer and usage charges.

Mr. Tompeck said okay, the last item on the agenda today is a resolution for FPUA Board Policies and Procedures. This is in response to your request to update this document from several months

ago. The document has been reviewed by Mr. Koblegard and Josh Gang will run through the particulars.

Mr. Gang said thank you Mr. Tompeck, Madam Mayor, Madam Chairman, Members of the Board. Welcome Larry.

All right. So this is again an update to the FPUA Board Policies and Procedures. Article 12 of the City Charter established the UA back in 1972 and provides the UA the authority with exclusive jurisdiction, control and management of all the utilities in the city.

Section 170h provides the board with the authority to adopt rules for its board meetings and the board governs the UA, sets out the direction, strategic planning and policymaking decisions for the utility authority. Subsequently in 1987, Resolution 8701 set the rules of order for the meetings and what you see on the right side of the screen is just a snapshot of the first half of that document and you can see it sets -- you know, very similar to what we do today in the agenda. Later on in 2016, the board policies and procedures were adopted and later amended to 2019. This is an update to those and what we have done is combined both that resolution about the rules of order and the policy and procedure documents so this replaces both of those.

To give you an overview, effectively, we reworded the entire document from the board policies that were there and put them in an order that made sense, clarified a little language, added a table of contents, provided references to the charter elements and included some of those charter elements and references as well. We added references to the certain sections of Florida statute that support many of the things throughout the policy and procedure document. This document is identified to give general guidance for meetings and various other things for the board and its interactions. Everything from ethics to code of conduct to attendance at meetings, the rules and the conduct of the meetings, expenditure approvals, and things like that.

One of the sections that we included was the Sunshine Law and public meetings and of reference the section in there and is reference to the policies and procedures. It talks about the training that is required of public officials and also recommended for board members and executive staff of the UA.

So when it comes to board meetings of a quorum requirement and that requires three board members to be present, to actually have a meeting whether it's a regular meeting or special meeting and any board action requires the affirmative vote of three members present at that meeting. So in the agenda, in order of conduct at the meetings, we just updated this to include current sections and so, you know, just for everybody's clarification and I think the board knows this, the consent agenda is comprised of items between $50 and $200,000 are generally considered by the Director of Utilities to be routine and noncontroversial and there is no discussion on those items. A board member, if they choose, after seeing the packet can pull one

of those items off of the consent agenda for discussion before they get a pass, but that consent agenda is approved all at one time.

The regular agenda items are those that are over $200,000 new business, old business and resolutions like this one and those are the items that are obviously brought up individually and the board discusses them and we have an opportunity give a presentation and you get an opportunity to ask us questions.

So when it comes to public comment, and this is Section 286.0114, Florida statutes covers this. It provides a public opportunity to address the board, and the rules that are laid out in here match the statute exactly and the reason for that is by matching the statute exactly, it provides a safe harbor for the board and its actions with regard to public comment. So essentially people can submit a request in advance, there is a form on FPUA.com to do that. They don't have to, but we ask that they do so we know what topics will be discussed and they get three minutes each. If there are a large number of speakers on any one topic the board can ask for representatives to speak so that meetings don't extend all evening. Sometimes you can -- well, when you get to raising rates, we may see a number of people showing up to comment on them and obviously this can help receive the comments without extending a board meeting into hours or longer than necessary. There is a section we added on decorum by the public which is intended to maintain a civil discourse at these meetings. The idea here is comments are to be directed to the board, not to an individual board member or the Director of Utilities. There is not supposed to be any personal attacks, no disrespectful or rude or disruptive remarks.

Per section 871.01 someone who interrupts a meeting, a public meeting can be removed and asked to leave the meeting. They can't be barred from future presentations or future board meetings, but they can be removed at the time when they are being disruptive. In a nutshell, that is the gist of it and there is a lot covered in there and I am happy to answer any questions.

Mr. Lammers said I don't necessarily have questions. I have not had enough time to review any changes to our policies and procedures so I won't be voting to make any changes today.

Mayor Hudson asked do you want to delay it to a future meeting when you do have time?

Mr. Lammers said if you guys are okay with that. I would prefer that, of course, yes.

Mayor Hudson said no rush right?

Mr. Gang said not at all.

Mrs. Gibbons said yeah, we can move it for another date.

Mayor Hudson said on page 6, the third line from the bottom, I think you need to -- between the word may and determined -- the word "be" may be determined that the member –

Mr. Gang said sorry page 6 and item d.

Mayor Hudson said all the way at the bottom. Item f, second line. "May be" determined. You need a b-e.

Mr. Gang said yup got it.

Mayor Hudson said so would the appropriate motion be to postpone this to a date certain? Would that be right Mr. Koblegard?

Mr. Koblegard said yes ma'am.

Mr. Tompeck asked would you like us to put it on the November 2 agenda?

Mayor Hudson said I make the motion to postpone it for the November 2 meeting.

A motion was made by Mayor Hudson, seconded by Mr. Lammers, and unanimously agreed to postpone Resolution No. UA 2021-11 FPUA Board Policies, Procedures and Rules of Order to the November 2 Board Meeting Agenda.

Mayor Hudson said to Mr. Gang I think you gave this to us. (Referencing a Pocket Guide to the Sunshine Law) This is reading, but important reading.
Mr. Tompeck said I'm also working to get – I've got a presentation that was made by a lawyer on -- on the same topic Sunshine Law. I am trying to get a hold of it that so you can look at it at your leisure.

Mayor Hudson asked like a tape or something?

Mr. Tompeck said yes.

Mrs. Gibbons asked Mr. Tompeck do you have anything that you'd like to cover?

Mr. Tompeck said just one item. At last night's City Commission meeting the City Commission approved an interlocal agreement with the Treasure Coast Regional Planning Council for work associated with developing an interlocal agreement between the City and FPUA related to the relocation of the wastewater plant. The Treasure Coast Regional Planning Council made a presentation to the city on their plans going forward and I was wondering if the FPUA Board would like to have that presentation made to them. In other words, have Kim Delaney come in and discuss what that is about so you understand. I have got -- I have a scope document that I can send in advance of that, but I think it will be worthwhile for you to see that same presentation and if I can get a consensus from the Board, I will go ahead and set up that.

Mrs. Gibbons said I would love to see that.

Mayor Hudson said for some reason I thought we already had, but if we hadn't I think we would.

Mr. Tompeck said we'll try and set that up for November 2 and the only other item was to welcome Larry Lammers back into the fold. That's all I have.

Mrs. Gibbons said Mr. Koblegard do you have anything?

Mr. Koblegard said yes ma'am. At the last meeting or special meeting, it was discussed about me getting with Mr. Cisneros about discussing a contract and terms and the salary. We are in the process of going through that. I don't have an agreement at this time and also talking about Javy and Mr. Tompeck about the start dates and how we're going to handle his taking over as a Director. I think he is talking of maybe staying in as the Director at the first meeting in December and I guess between now and then, well I don't think John, I can't speak for John, but up until his retirement, we will have to work something out between him and Mr. Cisneros as the new Director as to how we're going to handle who is in charge of what during that time frame. That is a little stickier, but the contract as far as the salary and terms go, that won't be a real issue, but what I am doing I got a copy of the contract from the city or Nick Mimms new contract and for the new city attorney and we are going through that and may be adding some things in those contracts to John's contract and making some adjustments in that. So we are going to meet until the next meeting when we wrap all that up.

Mayor Hudson said I have a question. Remember after Mr. Lindstrom left, there was some wording that was perceived to be problematic and I am hoping that whatever contractual language that you make you fix whatever that wording was.

Mr. Koblegard said that was fixed in John's contract.

Mayor Hudson said it was? Okay, because I didn't think it was figured out at that time, but maybe it was.

Mr. Koblegard said I think his contract -- there was -- in the old forms there was a tricky part in there, but I'm pretty sure we resolved that when John signed his new contract.

Mayor Hudson said okay. The other thing that we didn't talk about with this Board when we made that decision is the requirement, which I think is important, is to live in the City of Fort Pierce and I know that perhaps that is problematic right now because of housing prices and the way the market is right now. I am not sure if I want -- what kind of time frame I want it, but I think it is really important for the Director to live in the city of Fort Pierce. So if you could work with Mr. Cisneros with a timeframe that makes sense because I don't want to put an undue burden on him because I know right now if you sell your house you may not have any place to live because you can't buy another one, right. Mr. Koblegard said I had a discussion with him and he wants to have a requirement that he resides in Fort Pierce and we even talked about Harbor Island and the unit I am in at the time right at the time.

Mayor Hudson said oh okay, let's make a deal, right. Whatever, I had forgotten to mention it when we talked before. It is important to me. I don't know how the rest of the board members feel, but it's an important requirement for me.

Mr. Koblegard said he asked that it be in there.

Mrs. Gibbons said I'll firm that up. Anything else Mr. Koblegard? Board Members? Do you have anything?

Mayor Hudson said I am good.

Mrs. Gibbons said one thing. I was thinking as we were talking about marketing for these events that are going to be occurring, we need to make sure we are marketing WEOP to help with anybody that's willing to update their home for certain things, try to keep their rates down. So maybe that would be a good positive way, right to.....

Mayor Hudson said it fits right in.

Mrs. Gibbons said that's all I have. I have to hit the gavel.

There being no further business, the meeting was adjourned at 6:12pm.

ATTEST:

SECRETARY

CHAIRMAN