MINUTES OF A REGULAR MEETING OF THE FORT PIERCE UTILITIES AUTHORITY, TUESDAY, NOVEMBER, 16, 2021, 4:00P.M., CITY COMMISSION CHAMBERS.

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

Others present: John K. Tompeck, Director of Utilities; Rupert N. Koblegard, III, FPUA Attorney, Barbara A. Mika, Director of Financial Services; Bo Hutchinson, Director of Water/Wastewater Systems; Javier Cisneros, Director of Utility Support Services; and Lois Wolfe, Acting Director of Regulatory Affairs.

The meeting was called to order by Chairman Frank H. Fee.

Opening Prayer was by Jason Mittler of FPUAnet, Manager.

The Pledge of Allegiance was recited.

The roll was called and a quorum declared.

Chairman Fee said I understand we have two awards today. I believe Ms. Widmayer and Ms. Wolfe are to present.

Ms. Widmayer said good afternoon Chairman Fee, Mr. Tompeck, and Board Members. I am here to present the Building Strong Communities Award. This award was given to FPUA at the annual Florida Municipal Electric Association Energy Connections Conference on November 3rd. It recognizes FPUA for making valuable investments that enhance the quality of life in our community.

Included are corporate investments such as FPUA's charitable donations, event sponsorships, WEOP Program, public EV charging stations and supporting programs that contribute to improving the environment. This award also recognizes employee driven investments in our community like volunteerism, monthly food drives, and quarterly onsite blood drives, annual neighborhood cleanups and supporting Toys for Tots and Christmas Angels. These are just a few of the valuable ways FPUA invests back into our community to make it stronger. Thank you.

Chairman Fee said thank you.

Ms. Wolfe said Mr. Tompeck, Chairman Fee, Members of the Board, I'm really very proud to come before you tonight to share the award for Best Places to Work, St. Lucie County.

This is presented by the St. Lucie County Society for Human Resource Management in conjunction with Personal Dynamics. This is the sixth year that Ft. Pierce Utilities Authority has received this award. It was bestowed upon us on October the 28th. We respond to a 40 question survey each

year in August. It compares us against all of the other applicants for this award on things that go beyond even just benefit offerings, but covers a whole host of working conditions, the makeup of our workforce, turn over, promotional opportunities things of that nature. This is a testimony to our employees who really truly are the ones that make it a really great place to work. Thank you.

Mr. Fee said excellent work. Moving to the Agenda are there any new items that need to be added to the Agenda Mr. Tompeck?

Mr. Tompeck said yes Mr. Chairman. As I mentioned to the Board over the weekend, we would like to add an item on the PCA for your consideration and approval. That will be item G-3. I believe you have a hand out in front of you for that item.

Chairman Fee asked does everybody have the handout? Are there any other items that need to be added to the agenda?

A motion was made by Mayor Hudson, seconded by Mrs. Gibbons, and unanimously carried to approve the change and set agenda.

A motion was made by Mrs. Gibbons, seconded by Mr. Lammers, and unanimously carried to approve the Minutes of the Regular Meeting of November 2, 2021.

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

1. POA No. 22-14: Approve the purchase of three (3) vehicles from Alan Jay Fleet Sales, Inc., of Sebring, Florida, totaling $109,610.03 under the Sourcewell, formerly National Joint Powers Alliance (NJPA), Contract No. 2019-120716-NAF.
2. POA No. 20-15: Approve Amendment No. 1 to the Fire Alarm Agreement for the Water Treatment Plant Office and RO Plant Building, with Johnson Controls of Milwaukee, Wisconsin, to expand the scope of work and increase the not to exceed contract amount by $2,061.47, which includes the installation charge of $1,719.10 and $342.37 for annual service, increasing the annual service charge from $3,090 to $3,432.37 per year.
3. POA 13-72 Approve sole source Purchase Order payable to the City of Fort Pierce for an additional amount of $95,200 for FPUA's contribution to the City's roadway reconstruction efforts associated with the N. 17th Street Water and Sewer Replacements Project from Orange Ave to Avenue D.
4. POA No. 14-53: Approve Amendment No. 1 to the Specific Authorization No. GT 62-21-02 for WTP Corrosion Control and Treatment Cost Evaluations with Globaltech, Inc., of Boca Raton, Florida, to expand the scope of work and increase the not to exceed contract amount by $15,901.00, from $113,774.00 to $129,675.00.

5. RFQu No. 22-53: Approve the contracts for Continuing Professional Engineering and Design-Build Services related to Water/Wastewater Systems, effective November 17, 2021 through June 30, 2025, with unlimited five-year renewal options.

Chairman Fee said I don't believe we have any letters of appreciation so we will move on to old business. Is there any other topics that we need to discuss today? All right. It doesn't appear there is any old business. We will move on to Item G new business. Mr. Tompeck.

Mr. Tompeck said thank you Mr. Chairman. The first item this afternoon is the Bill Comparison for September 2021. Michelle Harris will make this information presentation.

Ms. Harris said good afternoon. Thank you Mr. Tompeck, Chairman Fee and Board Members.

I am presenting to you today the monthly update on the comparisons of Florida municipal electric rates published by FMEA and the local treasure coast utility bills for September.

This first graph shows the comparison of residential electric rates for 1,000 kilowatt hours of consumption for the 13 municipal utilities which are members of the All Requirements Project. They are displayed and ranked on their base bill amount. Our September rates of $104.84 shown with the yellow bar ranks FPUA with the lowest rate for this group for the third month in a row. That's very exciting!

This graph displays the comparison for that same level of consumption, but includes all the municipal utilities in the state. Our September bill at $104.84 ranks FPUA the fourth lowest rate in comparison to the other 31 municipal utilities. So in July we were 6th and in August we were 5th and now we've gone down one more spot to 4th this month. I like the trend.

In September, while FPUA maintained our rates, 12 of the other 31 municipal utilities implemented rate changes. The overall impact of these rate adjustments resulted in the increase of 92 cents for the ARP average and an increase of 94 cents for the municipal average.

This graph presents as similar comparison, but for the consumption of 2500 kilowatt hours. FPUA's September bill at $264.80 ranks us the 9th lowest among this group. We have been in the lower third of this chart since July which is also unprecedented. FPUA rates for both 1,000 kilowatt hours and 2500 kilowatt hours fall below all three averages; the ARP average, municipal average and IOU average.

The table displayed is the September comparison of the average residential utility bills on the Treasure Coast. FPUA's utility bill for all three services provided inside city limits is shown in the first column in blue. All other bills in this table have electric services by FP&L and water and wastewater services by the localities provider. The comparison includes the bills for average

consumption for electric, water and wastewater services for residential customers. There have been no rate changes to the September bills since the August comparison was presented.

This item has been presented for information only, but I will be glad to address any questions you may have.

Chairman Fee said real quick question. You mentioned that the rates don't pick up the changes that recently FP&L put in effect.

Ms. Harris said it was in effect I believe and I presented that in July or June. The increased rates that happened for FP&L are included here. It hasn't changed from last month.

Chairman Fee said I see. Any other questions?

Mayor Hudson said I think we better enjoy this while we can.

Mr. Tompeck said we're hoping that even though the rates are going up that we'll still, from a relative standpoint, we will still be where we are. That's what we are hoping for.

Chairman Fee said thank you.

Mr. Tompeck said the next item is an information presentation by Bo Hutchinson on the WRF relocation. You recall back on September the 7th that you approved the progressive design build contract and we wanted to give you an update on what's happened since.

Mr. Hutchinson said thank you Mr. Tompeck. Good afternoon Mr. Chairman and Members of the Board. As Mr. Tompeck said I will give you an update on what we've been up to since this progressive design build was executed.

First, for more of the public's benefit, why are we taking on this endeavor moving this plant? There's very obvious environmental benefits. Sea levels are rising. It's happening. It's real. There's different opinions on how fast it's happening, but it's definitely happening. Hurricanes are intensifying. If you recall a few years ago, the hurricane that sat on the Bahamas and completely devastated them. That was supposed to come here. If it had come here we could have been having a very different conversation today or a couple of years ago to be honest with you. We are also one of ten facilities that is on the DEP's, I don't want call hit list, but that's what we call it that are on the Indian River Lagoon as far as this goes. When you put the factors together it's only a matter of time before the DEP stops asking and starts telling us to relocate these plants off of our sensitive estuaries.

The other side of this is the economic benefits to the relocation of this plant. It has to do with the reutilization of the property itself and this is not just exclusive to the FPUA property, but also the surrounding properties. Immediately to the east, we have private property and then St. Lucie

County property on the north side of the bridge as well and all of those properties will just gain tremendous value when this happens.

The site plan that you see here was created a while back by the Red Tail Design Group. It shows more of a maximum utilization of the property. Something that would get us a very good ROI on the investment that we put over there. However, we don't know. It's my job to deliver some clean dirt to the city and the planners that know how to develop property. So any way don't get hung up on the picture. Just in order to quantify that, we hired a consultant to look at the utilization of the property in a very conservative manner which would be something very similar to Harbor Isles. Even with something that conservative it still got us a cost benefit ratio of about 4-1 and earned about $5.6 million and created almost 600 direct and indirect jobs. That's very important especially for our community where jobs are very important. Something we can definitely use, but it opens us up for economic opportunity grants from the Department of Economic Opportunity. We have a grant now over on DiGiorgio Rd. to put sewer in there to create jobs there as well. This could follow right in those footprints anyway.

So this is the most used slide in FPUA history. The only part I want to touch on here is the two deep injection wells that FPUA and FMPA spent $12.5 million on. That was 15 or 16 years ago. The numbers now are $16 million dollars apiece. I just wanted to point that out just the value that we already have sitting there on this property.

Progression, the contractor was executed on September 7th. We had our kick off meeting on October 14th. Although we had been working prior to that, which was our official kick off meeting, Mr. Tompeck, Mr. Cisneros and I sat down with St. Lucie County staff on October 20th to give them an update on what we are doing. It's our goal to keep them informed as we go forward with this. To keep them on as a partner. We potentially can.

We had our first workshop having to do with the reclaimed or irrigation water. The water qualities are going to be required for that and also the cooling tower water for the FMPA power plant. Those are two different water qualities that we need to be able to produce with the new plant.

We also discussed the deep injection wells and that led into a discussion on some testing that needed to be done. I'll touch on that a little bit later on. Then on the 3rd of this month we had our first real discussion on financing. I'll talk about that again in a later slide as well. That quickly came to the top as the critical path for this endeavor as it has before.

The wastewater sampling has been going on for a couple of weeks now over at the IWRF. This week we are sampling the leachate and blow down combined water at the deep injection well. Tomorrow we have another workshop on our secondary process. This is really the meat and potatoes of the project. This is what's actually going to be processing the waste. This will dictate the footprint and many other factors will come right behind this workshop.

Other work that's happening on a parallel path, the conveyance system. We have to get the wastewater to the new MWRF. We've selected a methodology. Our staff is recommending we do another progressive build contract at this time. Mr. Carnes and I have interviewed a couple of potential design build contractors so far. We are also advertising in the near future for additional progressive design build contractors. We'd like to talk to a few so we can make the best selection.

Public outreach and education - Many would say why we would do that when this something we have to do. Well it's very important to educate the public on what we are doing and why we are doing it. There are going to be rate increases that will be involved in this and the more education that we have on this the more support we can get behind it and we can demonstrate that this is an investment in the future and it's not just a cost. That's the main message we would like to get out there.

To that end, we are negotiating a scope of services with Vancore and Jones, a communications company. That's the firm that helped St. Lucie County and the City of Fort Pierce get the half cent sales tax pushed through. We can already see the improvements that are being made with that money. They are familiar with our area and demographic. They will help us with an overall marketing strategy.

We also have Red Tail Design Group that's already under contract to help with the commercials and more of the social media as well. Vancore and Jones will be involved in that as well. Those two have a little bit of a different approach to it. One is more on the technical side and the other one is a little more on the emotional public outreach side. By putting those together we can be successful with that marketing strategy.

Wastewater collection facility - Currently, the wastewater collection department is housed at the IWRF. They will be homeless when we move this plant. We're going to have to find a new location for them. We will start with a needs assessment to see what type of square footage they need and footprint for their vac trucks and generators and all of that good stuff. We own a piece of property across the street from ESC there on 37th street. Mr. Cisneros has had a few different ideas for what we can do there. It's kind of like a campus type effect. It's very possible we'll end up with that group in that area, but that's to be determined. That will roll into some preliminary sight planning and general facility planning to stay ahead of that as well. Again, it's a parallel path.

MWRF land preparation - As of now the sight is completely overgrown in 30-foot tall pepper trees. It's too thick to even get the soil boring trucks in there. In the very near future, we are renting a massive loader and we're going to clear the site. It will be great. It will be a lot of fun actually. Madam Mayor, maybe you want to come out and help us with that.

Mayor Hudson replied absolutely. I would love to.

Mr. Hutchinson replied, excellent we'll take you up on that. Also, for the testing that I mentioned of our deep injection wells, that's going to take a tremendous volume of water and it's seems like

the best way to do that is just to dig a temporary pond. We have been discussing this with some of the city staff and they will be very helpful with that I believe being as this is a temporary pond and it's not part of a site plan as of yet. Hopefully, we can get some kind of conditional permit on that. We're working on that as well.

Short-term funding needs - Now this list is not all inclusive, but this is where we are now. These different items seem to pop up when we have workshops. This has to do with the aggressive time frame that we're pursuing with getting this done. If you recall we first started talking about this and we brought a financial plan together to partnership with St. Lucie County. We had it stretched out for over five years where the rate increases would be much smaller and much more incremental. Much smaller increments over a longer amount of time where you wouldn't feel it as much on the rates and also it would fund all of the short-term funding needs as we were moving in that direction. Well this time frame does not facilitate that. We need to move a little bit more aggressively. I can go through these if anybody has questions at the end. We can talk about these.

Basically we've been able to total up a little bit over $9 million so far and we'll probably have a few more million on there before it's said and done. This is all work that has to be done in the big picture, but in order to keep this moving these are things that we need to be doing early on sooner than later.

Options, first off is budget flexibility. This has been a topic of discussion for many years that we don't spend our entire budget and that is very true. We usually spend somewhere around 60% of the budget and really what happens is you have multiple projects that are on your list many of them are DOT, city, county projects. You have a lot of different moving pieces there with the control of those projects. You allocate money that sits there in your budget and if the project doesn't move forward, it's still sitting there in your budget. We're looking at a little bit of different methodologies there were we would potentially not fully fund all of these projects and put some other avenues in place with the Board where the budget transfers for all the approved projects could be handled on a more efficient manner. This will basically free up money in our existing budget to handle some of these early work items as well.

Up next is to borrow the money, basically just go out and borrow the money for up to two years. By our Charter we're allowed to do that. That would be most likely structured where we would have a large balloon near the end and maybe interest only payments in the beginning until we get up to that point. At that point, it would be wrapped into the larger financing of the entire plant.

The next one is the potential for creating a sub-authority. This again is very similar to the methodology that we were employing with our partnership with St. Lucie County where we would technically have a separate entity, but that would be controlled by the FPUA Board in that particular case by the St. Lucie County Commission as well. By doing that it may open up other

avenues into some other funding flexibility with this as well. That could be on the short term and the long term.

The next one would be using the City of Ft. Pierce to partner with us as more of a funding conduit. That seems like it might be a little bit problematic. Because it could potentially tie up all the borrowing ability that the city has. It's still something to explore.

The next option would be to integrate the financing in the progressive design build where you add the "F" at the end for finance. That could be done in short term where they would borrow the money on our behalf, they would do these early work packages and then at the point that we get to our overall financing or overall bonding, it would get paid back to the contractor. You can extend that further and you can have the contractor effectively fund the entire project. The difference there is at the end they would technically own the plant and lease it back to us to operate. It's just a little bit more movement of the money and keep in mind every time that the money touches a hand it gets more expensive. We want to keep that in mind and try to get the very best value for financing this money.

Ultimately, we'll have to bond the entire project other than this, of course, and it will require rate increases as we've been talking about. As we get closer to our 30% design, we should be able to come up with some preliminary numbers to try to stay ahead of this. The sooner that we are able to implement the rate increases the smaller they can be and we'll be able to really look at more of a ramping up methodology to that as well.

The simple fact is its coming. We are going to have to raise rates to relocate this plant. You have to keep in mind this is an investment in the future it's not just a cost.

That's the end of the presentation and I will be happy to answer any questions.

Chairman Fee asked any questions of the board?

Mrs. Gibbons said I have a question. You guys met with the County?

Mr. Hutchinson said yes we did.

Mrs. Gibbons asked what was their feedback?

Mr. Hutchinson said the county at this point are keeping all their options open to be honest with you. They haven't closed the door on this. They have a parallel path as well. With basically building their own plants by the airport as well. I believe that with the accelerated time line we're on here that we would be a little bit ahead of them and that would potentially create more of an opportunity to bring them back onboard.

Mrs. Gibbons said I didn't actually see an actual time line. What is the date now that we're looking at?

Mr. Hutchinson said we're still looking at the very end of 2024 and I have to put an asterisk on that. Because across not even just our industry, but all industries we have supply chain issues. Hopefully that's resolved by the time that we start turning dirt on the plant, but you have to keep in mind too we have the conveyance system as well. That's a lot of pipe. That's a lot of pumps, impellers and valves and a lot of manpower that has to come into that too. I have to put an asterisk on it. We will keep the hammer down and try to make that happen.

Mr. Lammers asked so at the end of the 2024 date that's when we hope to be able to start decommissioning the existing plant?

Mr. Hutchinson said we probably wouldn't be able to start decommissioning right then. Once this new plant is commissioned at the end of 2024. On our parallel path, we would have been doing the conveyance system. The conveyance system and we'll have a whole separate presentation on that once we get a little deeper into that, but that will be taken off of the existing plant and put on the new plant in little logical pieces. You will put some flow on the new plant everything else is still on hold. You will test it and go through a process and then you put more on. We will do it step-by-step. The reality is that we're going to do that and get basically everything off of the existing plant going to the new plant, but we still have Lift Station A which that will be the big one. That's going to be the final switch that we throw. There's going to be some overlap there that we're having to operate both plants. Best case scenario is that's a year. Now during that year, and again that's best case scenario it could take a longer. We would be able to start decommissioning the other plant. Start to do some of the demolition. If there's any soil remediation that needs to be done we can potentially start on that early as well.

Mr. Lammers said so if I added up the time line correctly, best case scenario beginning of 2026 we would have it ready to turn over to someone to develop?

Mr. Hutchinson said as of right now preliminarily yes.

Chairman Fee said short-term cash needs. Does management have a feel about which option their leaning towards?

Mr. Hutchinson said as of now the ones that seem to be popping up to the top is to just go out and borrow the money for two years with a balloon at the end. Something Attorney Koblegard and I were talking about or allow the contractor to do that. Not to make a commitment of what's going to happen with the big financing down the road, but just make it happen to keep the project moving now.

Mr. Tompeck said and Globaltech and Hazen...Haskell can help us with that.

Chairman Fee said I have a follow up question Mr. Tompeck. How much money does the UA have in cash reserves?

Mr. Tompeck said $23 million. I'm looking at Barbara she would probably know the answer better than I. I think it's about $23 million right?

Ms. Mika said roughly.

Mr. Tompeck said roughly $23 million yes.

Chairman Fee said that's really a source of funds that we don't want to tap into at that amount.

Mr. Tompeck said right. The next agenda item we're tapping into it. You will find out.

Chairman Fee said I know. I saw the downward coin. Timing is everything of course. Any other questions?

Mayor Hudson said I have a question. In our budgeting every year do we go back and say this project is never going to happen, but we still have the money in there earmarked for that? Is there ever a time this project is never going to happen?

Mr. Tompeck said I think some projects have dropped off, but most of the time they're just deferred a year or two down the road.

Mayor Hudson said I know that. They are not totally disappearing. I just wondered if there were some in there that are just not going to happen.

Mr. Tompeck said very rare. I can't think of any off the top of my head that just completely disappeared.

Mr. Hutchinson said the opportunities for that are when we have a, let's say, a large developer project that has to construct a large amount of infrastructure and FPUA is choosing to oversize it or extend it for the good of our entire system. That money goes into our budget to allocate towards that development. Then if the development doesn't move forward the infrastructure doesn't get built. That would be one example. It's very rare.

Mayor Hudson said so are we talking $23 million is that referred to as unrestricted? But that's kind of misleading. Because it isn't -- it is in there for something.

Mr. Tompeck said that's in the general fund. That's unrestricted. We can use that as we desire. It's operating cash and we want to be at.....

Mayor Hudson said we collected it at one time for something didn't we? That's what I'm trying to get at.

Mr. Tompeck said it's just operating cash and we want to have 90 days of operating cash and that's about $22-$23 million in that ballpark. That's where we like to be and I think we had to have at least 45 days at the very minimum. That's what we look at. The money we can spend any way the Board approves.

Mayor Hudson said okay. We take the risk if we do that. If something comes up and we don't have enough cash to deal with a disaster or something that we really need.

Mr. Tompeck said we have some restricted money for hurricanes and that kind of thing that's not part of that. What you're saying is correct, yes.

Mayor Hudson said and back on the slide where you were talking about progressive design build and then finance. They would finance it. Could there be an advantage to that? That's going to be more costly because we're going to have to pay them, like you said every time someone touches the money it's going to cost more. That turns into almost a P-3 right?

Mr. Hutchinson said it is a version. If you recall the presentation from many months ago where I showed all the different versions, we were at the progressive design build and the next one is you add the "F" which is the financing element. Again, it has to do with speed in which you can get it done. Those are very advantageous. Let's say that the hurricane did come and sat on us. Our plant was demolished and we had to spend a bunch of money as fast as we can. The private sector can go get that money a lot faster than we can. They can't always tap into the same loan pools that we're able to so the interest rates might be a little bit higher, but honestly until you really put it out on paper and look at the real options, we really don't know. Just as a general rule of thumb it's a little bit more expensive. I don't know how to quantify exactly how much more.

Mayor Hudson said right. Because then you said if we did that at the end they would own the plant. Isn't that what you said?

Mr. Hutchinson said yes ma'am. There's two scenarios. One scenario we would only use the contractor to borrow the short-term money. The $10-$12 million dollars that we need and then when our bonding money comes in later on, paying that loan off would be a piece of that. Then the other option is to say, hey this is working so good. We will save 1% by using our own money. By using their money we're using 1.1%. How much does that affect us? I'm just making up numbers here, but it may not be that significant in which case you go hey contractor let's go and have you finance the whole thing. Then in that case at the end of the plant when it's commissioned they would technically still own it, but they would lease it back to us to operate. That was a big component that staff kind of had a problem with was having an independent entity operate that plant.

Mayor Hudson said and Steve Ancore, was his first name Steve?

Mr. Hutchinson said yes ma'am.

Mayor Hudson said was at the Florida League of Cities Conference and mentioned the Ft. Pierce Utilities Authority and the importance of getting it off the island. I'm assuming that what you are talking to him about is kind of the messaging and helping us educate?

Mr. Hutchinson said yes ma'am.

Mayor Hudson said our rate payers out there who really -- this the not on the top of their mind for them at all. I'm assuming that's what he will help us do.

Mr. Hutchinson said yes ma'am. In the very near future we'll have a scope before you that you can take a look at and it includes everything from a web site that would have all the information on there to potentially doing a small survey to find out what our customer feels about this project now. Do they care about it? Not care about it? Finding out what's important to our customers when you talk about a utility other than keeping rates low. We know that's paramount and there's quite a few other factors. There's everything from mail outs, assistance with these presentations, and assistance with when we're up in Tallahassee asking for money or we're up in Washington asking for money they will assist with that. Basically, their concept, although it will be itemized as to what it is, is to help us with whatever we need. Because it's a dynamic process when you start that marketing effort. You may find out I think I know what our people think about moving that plant. Do I? I could be completely wrong. We could go off in the completely wrong direction.

Mayor Hudson said you are deep into it.

Mr. Hutchinson said I am exactly.

Mayor Hudson said I think he has a lot of contacts particularly in Tallahassee. I think that's a real good fit and I was very pleased that he mentioned it. Because he was talking about funding and how you work with your state legislator and if that person is helping you with this project, which he mentioned Representative Trabulsey, you didn't want to go too hard at her about other things she's voting for that you don't like because you don't want to mess up your funding. I was pleased that you were talking to him. I think he kind of knows his stuff. That's good.

Mr. Hutchinson said very good. I think he's pretty much the expert on this. You know, if you're going to win the game, stack your team.

Mayor Hudson said right.

Mrs. Gibbons said I know I keep bringing up grants. But you know it's like really a big deal. Three months ago you said; right maybe we'll have some idea on what kind of grant money that we'll have in December in those meetings or --

Mr. Hutchinson said I think by December we'll have a pretty good outline of the application time frames, some likelihoods, and probably some work lists for the information that we need to provide for the grants. Each grant has its own personality. I was talking about the economic development grants or the environmental grants. You have to market the different sides of your project completely different to those. I think by December, the consultant has already identified a good list of grant opportunities and we're definitely going to go fishing for all of them, but each

one will take its own little effort in all reality to get there. The faster we can get our bait in the water, the better.

Mrs. Gibbons said for sure.

Ms. Bennett said you were speaking about we were thinking about borrowing the money. At what percentage rate have you all looked into that, that we will be borrowing this money at?

Mr. Hutchinson said on the private money? No, ma'am. I don't really know what's available. The thing that will hurt us on interest rates is the fact that it's a two-year loan. I mean, the lender has to make even his bottom dollar amount of money and has to make it back in two years. If that's all we put out there. That bumps the interest rate up a little bit more for sure. I really can't speculate on it. The WIFFIA and SRF loans, they're a percent and a half +/- which is really great, but we won't get that on a short-term loan.

Ms. Bennett said you said in December we'll know about the grants. Will we know then about what the rate payers will be kind of looking at regarding the increase(s) and what they will be paying?

Mr. Hutchinson said most likely we looking more towards the April range when we're getting towards the end of this first part of the progressive design build to get us to 30% and the 15% accuracy on a cost estimate. At that point, maybe a little bit before if we can jump the gun we definitely will because this is one of the main questions that keeps coming up and rightly so. We'll be able to do that and extrapolate what we need to have for the let's say worst case scenario. The grants won't be awarded up front. If we have a worst case scenario that we have to borrow $110-$120 million whatever that number happens to be and then we get a grant that comes in for...I like your numbers last time. Whatever those grants happen to be, we take that right off the top and we can extrapolate down. It's important when we go and start laying out the rate increases even at that point that everybody understands that once we go down this road we can't just go hey, I have to change my mind and we throw $15 million worth of work away. That's the point where we really have to make that hard decision.

Mr. Lammers said last question. You mentioned that there are 10 plants that FDEP are looking at as far as kind of being on their radar for being moved. Do you know when the last time a municipality moved a wastewater plant off the estuary?

Mr. Hutchinson said I know Vero Beach is in the process of it right now. Other than that, I don't have an example off the top of my head.

Mr. Lammers asked do you happen to know if they're using design build?

Mr. Hutchinson said they are. They are using a progressive design build. That's technically two questions Mr. Lammers.

Mrs. Gibbons said Mr. Chair. I think I saw this morning on the news that Riviera Beach is moving their water treatment plant. May want to look at that. Also, this is probably more for Mr. Tompeck, what are we looking at for timeline of refinancing our debt?

Mr. Tompeck said I would think probably right after the first of the year, maybe a little bit longer than that. I think the engineer's certificate is what we're really waiting on and we're going through that process right now. I'm anticipating that it will be done about the middle of January and then the ball really rolls a lot faster. Might be month after that or so.

Mrs. Gibbons said okay.

Chairman Fee asked any further questions? Yes, Attorney Koblegard.

Attorney Koblegard said everything else being equal wouldn't staff rather own the plant and operate it themselves with no partners with the City or the County?

Mr. Hutchinson asked with no partners?

Attorney Koblegard said no partners unless possibly the County as a partner of the City.

Mr. Hutchinson said you know, if the partnership can bring something to the table, our partnership with St. Lucie County was bringing a potential $40 million dollars and that's capacity that is needed, but not necessarily needed yet. When we're able to join forces with another government entity like that; we are -- it's simple....economies of scale. We can treat that product at a lower rate if we do it together. That's simply all there is to it. There's a very simple economic case that we made with our partnership with St. Lucie County that demonstrated that.

As far as operating the plant, this is my personal opinion and my staff's opinion that FPUA or a municipal entity needs to operate that plant. It can't be a private entity as far as that goes. I don't know any ramifications of having a progressive design build and they own the plant and lease it back to us. In my mind that almost just seems like paperwork. Because if we're still operating the plant I don't know if that would really hurt us. I'm not educated on that enough if there's some kind of downside there.

Attorney Koblegard said it will all depend on the contract with them.

Mr. Hutchinson said it would, yes. Absolutely the lease agreement.

Attorney Koblegard said depending on what they want. That's why I thought ya'll would probably own and operate the plant yourself, us FPUA.

Mr. Hutchinson said I think primarily I would say, yes. If we're able to own the plant like I was saying before. You know every time that the money touches hands it gets more expensive. So if we're able to do it on our own without having to have that lease back agreement I think that would be better, but this is a long road. This is a big project. We could hit obstacles along the way

that dictate that yes it's a little bit more expensive, but if you want to get it done, this is what we have to do. I'm not saying that's where we are at yet. I'm just saying it's a possibility. Whatever it takes to get this job done is what we are going to do.

Mayor Hudson said well theoretically it's better for the rate payers of the county and FPUA if we join forces. Theoretically.

Mr. Hutchinson said yes ma'am.

Mayor Hudson said but, I know there's all kinds of other -- when you do things in conjunction with another government and you don't duplicate services, et cetera, then the tax payer or the rate payer benefits. Then you get people involved and egos and organizations.

Mr. Hutchinson said it's all easy without human's right.

Mayor Hudson said robots.

Chairman Fee asked any further comments or questions from the Board. There being none. Thank you. Nice presentation.

Chairman Fee said Mr. Tompeck I believe there's an elephant in the room.

Mr. Tompeck said this is the walk-on. The next item is the status of the PCA and a request to approve an increase of $12 per 1,000 kilowatt hours effective December 1st and Barbara Mica will make the presentation.

Ms. Mika said thank you Mr. Tompeck, Chairman Fee, and Board Members, good afternoon. I want to thank you for the opportunity to step in and provide you with the updated information for the status of the September Power Cost Adjustment along with the 12 months projections through September of next year.

As you know, FPUA recovers the cost for purchase power through customer billings. Power cost recovered that are in excess of our base power cost are accumulated as an over recovery, or a rate stabilization fund. In order to retain sufficient funds to pay our power costs we maintain that fund between $1 million and $4 million dollars with excess funds going back to the customers whenever possible.

The cost of power purchased from FMPA for the month of September was billed to FPUA at a blended rate of $79.12 for 1,000 kilowatt hours. This was an increase of $7.30 compared to the August billing. For the month of September FPUA experienced an under recovery of power cost from the customer of $173,634 and this reduced our over recovery to the -- what you're seeing on the screen of $1,820,000 that we have in that over recovery fund.

This chart tracks the cumulative monthly balance of the PCA over recovery in relation to the approved power cost adjustment. This looks back to two years of actuals to September 2019 and with projections forward for 12 months through September of '22. The amount of the power cost adjustments is representative by the dark blue line. Which for the month of September was a negative $12 for 1,000 kilowatt hours. The bars on the top of the screen of this chart represent the blue bars which are the actuals that we've experienced over the past two years. With the orange bars depicting on projected over recovery and what it would be if the forecasts that we have are correct.

The projections that are shown in this chart are based upon the current proposal that staff has for a $12 increase on the PCA come December and then again in January. That's what that blue line represents. These projections have all been prepared by Raftelis Consultants and are based upon the data forecast that we get from FMPA. Since the August forecast, FMPA's estimate of the cost of purchase power for the upcoming 12 months has increased 8.5%.

This graph represents a comparison of the current projection trending the power cost recovery through September of 2022. We got a lot of lines here. The gray and the blue lines represent the two extreme scenarios. The gray line keeps the last approved PCA at zero. With no further changes depleting our cash reserves by looking like $9 million by the end of the year if we make no change. The blue line gives and extreme jolt to the PCA of $65 per 1,000 kilowatt hours where we're looking to see what it would take to get us above that line and that's an extreme jump, but that's what we're showing here. With decreases shown coming up in April and June when it appears we could be potentially lower because it's coming up close to that $4 million recovery line for the rate stabilization.

Working our way down the orange line here shows a $30 increase come December 1st with a $15 decrease in June of just before the summer months and that's keeping with our practice of trying to provide some financial relief in the summer months, but keep in mind that $30 increase and $15 decrease is still a positive $15 PCA even in the long run by June.

The next line down the green line, is the current proposal for a $12 increase for December 1st followed by another $12 increase on January 1st. The impact now would be just $12 and we would reevaluate the -- with the next month's projections when we have October's projections in hand and we did discuss any potential additional increases for January. That's what that green line is showing.

The red line, the next line down is similar, but slightly a different path of implementing a $6 increase for 4 consecutive months starting with December and $6 in January and so forth through March. The cumulative effect of the change in the PCA is the same for the green and the red lines would be a total of $24 and change. It's just that one is happening quicker than the other. The $12 change would have a little bit less impact on our cash reserves because it moves up a little bit quicker than the red one, the red line.

This chart is a repeat from last month's presentation. I just left it in there. I don't have the October forecast just yet and it lays out the month-over-month changes in the projected average cost per the megawatt hour for our purchase power. The October forecast became available today, but it's not shown in here. We can update that next time.

At this time, it is the recommendation of staff to increase the Power Cost Adjustment by $12 effective December 1st which would bring the PCA from $0 to $12. We will monitor the situation on a continual basis and bring updates and recommend changes when we need to. That's what we're asking for now.

Mr. Chairman said thank you Ms. Mika. Do you mind going back one slide? Quick question for clarification. If we make the $12 increase as you recommend will we still eat into the cash reserves cumulatively a little over $3 million?

Ms. Mika replied yes into the Spring.

Chairman Fee said and so if we do $6 which is half as much we're going to now eat into our cash reserves by $4 million. Naturally, I will if we do nothing it will be an extreme hit of about $9 million, correct.

Ms. Mika said yes.

Chairman Fee asked are there any other questions from the Board?

Mrs. Gibbons said I have a few questions. Does this include the $1.8 million we already have sitting out there?

Ms. Mika said yes. If we go back one slide here. If you look at the blue line here representing September it's that $1.8. It will drop come the next month and then ultimately it's shown to go below with the yellow bars.

Mrs. Gibbons said right okay. As far as the, I don't have questions about this, but I do have some further discussion that we can talk about after.

Chairman Fee any further questions?

Mr. Lammers said so that green line represents a $12 increase now that we would approve for December and a $12 increase in December that we would approve in December for January.

Ms. Mika said potentially yes with updated information.

Mr. Lammers said the October forecast you said it's -- it came out today, but wasn't on the graph.

Ms. Mika said yes it was only released this afternoon. The rates and projections came out today. I didn't have it for this presentation.

Mr. Lammers asked were the projections even higher than what the September....

Ms. Mika said I didn't have a chance to look.

Mr. Tompeck said I think based on the conversation, I didn't think it was any worse or better than the projections that we have and are as good as we will get for right now any way. I mean, there's some things happening that could eventually impact the prices here. I think they ramped up production in Texas and we're seeing that they will be increasing the production from about 90 billion cubic feet a day to 94 billion cubic feet a day. That's a pretty good bump and hopefully that will help. I was hoping we would get more help from coal. That's not happening. That stands short on coal believe it or not and the coal prices have tripled over the last couple of months from $30 a ton to $90 a ton. They are holding on to their rationing of coal. They want to be prepared in case there's any cold weather in the winter. We all learned a pretty good lesson from what happened in Texas last year. I don't think it'll get as cold here as Texas it could get that cold in Gainesville or Orlando. They want to be prepared for that as well. Because that did impact gas production and transportation. I don't think there's any particularly good news. If you looked at the price of gas today its $5. Which compared to you know four or five weeks ago it was about $6.50 and one would be very excited about that if one didn't look at what the futures are selling for. The futures aren't coming down. The futures for all of the calendar year 2022 were over $4.

You recall last time when we talked about that we had a graph that showed the difference between $4 futures and $3 futures we thought we would get last year. About $130 million in terms of fuel cost to FMPA. Obviously that's not all our cost, but FMPA's fuel cost and there's no way to easily absorb that cost without raising the rates.

Mayor Hudson asked will it affect Florida Power & Light and others?

Mr. Tompeck said it's like I said last time. This is not a state problem, it's a global problem. They're still willing to pay $24-$31 a dekatherm for LNG to China and Europe. We continue to compete. Everybody will have this same problem with probably the exception of the state of Washington which has a lot of hydroelectric power and some of the other power and states more wind as opposed to gas. We have neither hydroelectric or wind.

Mayor Hudson said it seems to me that this affects just what we were talking about moving the wastewater treatment plant. We're talking about rate increases for water, you know what we're increasing for electric and all of a sudden rate payers are getting socked. I don't have the solution, I'm just stating that fact. That if we are going to have difficulty selling the rate increases on water to move the wastewater treatment plant in my opinion anyway, because so many people are kind of clueless that, that's in works or that we need to do it. It's just not at the top of their radar and so now we have this particular issue and it's just kind of a perfect storm.

Mr. Tompeck said I think you know the price of gas is really volatile and I can't think of a scenario where it would go up much more. That's only because I can't think of the scenario. There probably is one out there. I'm hoping it will come down after the first of the year. I would like to see future

prices come down to $3.50 or $3.60. Some of the pain here will go away. But we can't base it on the futures today we can't make that assumption when we do our planning.

Mrs. Gibbons said Mr. Chair? Maybe I'll chime in with my comments here. Couple of things and I've talked to a few of you guys about it. I would love to think about this opportunity this time as more of an opportunity to streamline. I don't know if there are you know obviously there's always ways that we can get better, faster, easier, more automated, whatever it is that we can cut down some of our costs. I mean I would love for you guys to try to get together and discuss some of those options. Try to keep you know -- we're going to have to show them too that we're trying to keep our costs down and which is going to lead into the advertising update. Not sure where we are with that. I want to make sure we are -- when we're doing our advertising that it is positive that we're offering suggestions for ways for them to streamline at home and keep their own bills down and make sure that it shows that we're also trying to do the same things to help.

I know we spoke earlier too and I think I just want to make sure that the Board hears this. We need to make sure we keep our credit standing good especially if we want to refinance. Which is going to be what pivots all of this to be able to move the water treatment plant. We need to be thinking about those rate increases unfortunately. It's going to have to happen and I don't want it to negatively impact our growth and what we're -- what our vision is here. Hopefully, this is a short-term thing, but we need make sure we're stable and that we prove we're stable so that when we want to get the money it's there and received.

Mayor Hudson asked what is our credit status now?

Mr. Tompeck said I think it's an A+.

Ms. Mika said with Fitch it's an A+ and Standard and Poor's we're an A.

Mayor Hudson asked what's the best you can be?

Ms. Mika said an AAA.

Mayor Hudson said so an A+ and A is not bad.

Ms. Mika said no it's not bad. It's good.

Mayor Hudson said it gives you good borrowing capability. I think we have to be very mindful of that and show that we are stable and have to do what we have to do, but on the subject of advertising someone told me they heard the ad on -- I think it was NPR and whoever it was said it was a good ad. They couldn't tell me what the substance was or anything like that. They said it was a really good ad.

Chairman Fee asked any other comments? Any further discussion?

Mr. Lammers said I do. One, I definitely want to echo the comment about advertising. That's critically important obviously. Another one is you know it has started to cool off a little bit. If there was a time I think to get a little bit aggressive on trying to put money back in the rate stabilization fund it's probably now. Because at the end of the day the customer is not necessarily going to look at how much of their bill is a Power Cost Adjustment they will look at the bottom line and right now the bottom line, even if we raise the Power Cost Adjustment, the bottom line hopefully will even be less than it was for June, July and August. I'm in favor personally of even going above and beyond what staff's recommendation is in the hopes that when Summer rolls around 2022, we can start to give some of the money back.

Mrs. Gibbons said I agree.

Chairman Fee said I agree as well. Does anyone have an idea of what increase you would be comfortable with if you wanted to go over $12, what would be the right number? I think being aggressive here will get us ahead of the storm and hopefully hope that it is a short-term problem that you know gas prices will recede a little bit after the beginning of the year.

Mayor Hudson said Mr. Chairman, I don't have an idea about that, but I would almost rather go the $12 now which would take effect in December. Is that right? So that you pay the bill in January. Is that right. Am I right? Then the next time we raise it, we raise it more than raising the big rate this month. That's my preference.

Chairman Fee said you would prefer a $12 increase and then maybe go above the next month when it's cooler.

Ms. Bennett said I'm in favor of the $12 verses going higher than the $12 right now.

Mayor Hudson said we do the painful thing the next time.

Chairman Fee asked Mrs. Gibbons, any thoughts?

Mrs. Gibbons said well, I mean looking at this chart here. I don't know that it's going to stabilize us let's say if we were to do this $30 increase. Which I don't know that any of us want to do $30 increase, but it will according to this, stabilize where we are currently. For one month I don't know that it's going to matter. I wish, I will say, I wish I had stuck with my guns last month and said we should go to higher one, but here we are discussing it now. I'm more in favor of somewhere maybe in the middle of those two numbers and that way come January, we don't have to make it as big of a stretch. I guess I worry that – I would rather give it back to them later and be safe than go too far into debt here and then not be able to recoup. That's what I'm worried about.

Chairman Fee said I agree. I want to minimize our cash reserve loss. Especially on the heels of the project that we're going to need some short-term cash liquidity to pay. I certainly would be in favor of any increase under $20 and up you know, above $12, but keep it under $20. I feel like

$15 is fair to keep us a little ahead. Then if we have to, we don't have to raise it as much the second time. I could vacillate either way on it. I think at a minimum we definitely have to have $12. I think that's a no-brainer. The question is what number we can live with in order to minimize the hemorrhages of our cash reserves.

Ms. Bennett said I'm looking at this is the end of the year. Where people are trying -- Christmas is -- holidays are coming around. If we do $12 now, they will have a little bit more money in January, February, when taxes are coming around so they won't be looking at their bill as much. They will be more apt to pay that extra money than to hit them right before the holidays.

Chairman Fee said certainly a valid point and thinking about the customer and their needs. We want to be compassionate with them. Especially during the holiday season. It's a big decision. Unfortunately, I can't make a motion. Someone has to lead off and rip off the band-aid and see where we go with it.

Mr. Lammers said just to clarify. Whatever we approve now gets enacted in December and most customers will see the increase to their bill in January. Whatever we approve now they won't actually have to pay the effects of that increase until after the holiday season.

Ms. Bennett said I'm looking at they will have spent a lot of money over the holidays and they won't have that much money in January whereas they will have a lot more in February than they do in January. A lot of people are, I mean, I'm thinking about school board employees. They are out. They don't get any finances until after January 15th and a lot of people's utilities bill are due between the 10th and 15th or you know between the 10th and 20th. They won't have the money and they are scrounging for finances at that time and they spent money over the holidays. I just feel that we need to think about that. Think about those rate payers and the holiday season and people are spending more now. We need to take into consideration that also.

Mrs. Gibbons said if we were to do $12 it brings us back to zero; right?

Ms. Mika said correct.

Mrs. Gibbons said I don't know. I understand what you are saying.

Ms. Mika said we're at zero now. If we do $12 we'll be at $12.

Ms. Bennett said at least we have something that we can build upon. We have that $12 that we can build upon. But –

Chairman Fee said we're certainly going to have to build upon it from this graph.

Mrs. Gibbons said and we're looking to get our refinancing in January. That's where I'm like, we're right at the cusp of all of this. I don't -- personally, I feel like I know you said $15 I'm like $18 feels like good happy medium number. A round number. Seems like we move in 6's. I don't know why it feels that way.

Ms. Bennett asked what if we move it $12 now and then $18 the second time?

Mrs. Gibbons asked what happens when that -- if it keeps going up and there's a freeze?

Chairman Fee said we're still behind.

Mrs. Gibbons said we'll be behind and it will be summer time and then we're paying. I would rather give money back to customer than to not recoup it and then have an issue trying to move forward with our – what our plan is trying to get everything accomplished.

Mr. Lammers said that's a difficult part for me. I don't want -- I would never raise rates if it's a plausible situation. However, I don't want find ourselves in a position where we really want to help for those summer months and we're just not able to.

Chairman Fee said that's when the ac is running. That's when people are home. That's when our locals are here. Exactly locals are back. Winter time people have opened their windows. They get to conserve, save a different way. I'm with you Mrs. Gibbons, $18 if you're keeping with your 6's is fine with me. It hurts, you know. No one wants to be here. I think it's the first time in my tenure that we've gone up this much ever. Even if we go up this high it doesn't seem like we're out of it by any means. Again, someone has to make a motion.

Ms. Bennett asked what if we go at $15? I know we're in the 6's. What if we do 3? Three more?

Attorney Koblegard said Mr. Chairman. If I read the chart correctly, a $3 increase is about a half million dollars. That's what you would get.

Mrs. Gibbons said on our highest, I know we discussed this as well, in the last ten years or so we were at $45?

Mr. Tompeck said I didn't have a chance to go back. I think it got as high as $54 at one point in time, but that was before we adjusted the rates as well. You are not exactly talking apples and apples.

Mrs. Gibbons said okay. So apples to apples, somewhere around $30?

Mr. Tompeck said I'd have to go back and look I'm not sure of the answer to that question and rather than give you bad information I can check and let you know.

Mayor Hudson said it didn't get there that fast. If I remember right.

Mr. Tompeck said no it didn't.

Mayor Hudson said not as fast as this possibly could get there.

Mrs. Gibbons said I guess I'm also like concerned about it. I would rather come back in January and be like nah we're good. I don't want to raise it again. Every time we raise it it's a peg in the nail at the end of the day in the coffin. Then we have another opportunity to be like here they go

raising rates again. That's not what any of us want. We don't want to raise the rates. I'm looking for an opportunity to make sure that we can stabilize our customers too and so we don't have to keep pushing something out there and -- it's nice to be able to set it and then in three months from now adjust it or whatever. Not that may or may not happen. It's so volatile. I'm looking for some kind of a stable flow for the customers as well. So they know what to expect rather than keep messing around with them.

Mayor Hudson said there's an argument to make for taking the pain now and I could go with $18 and -- I don't want to. I would rather go $12, but I understand what you are saying. If we take that, we take kind of like ripping the band-aid off real quick. Because we know we have to do something next time and maybe Santa Claus will be good us. You know what I mean?

Ms. Bennett asked will it be $18 in December and $18 in January?

Chairman Fee said not necessarily.

Mrs. Gibbons said we'll have to reassess again.

Mayor Hudson said we'll have to look again. You get the wonderful calls from the people who tell them the bad news. Then we have to look at it. It would be $18 until we change it.

Mrs. Gibbons said yes and hopefully it would be stable. Ideally, it would be great if we were at $18. Ideally it would be great if we were at negative $12 again, but if we were at $18 and then they come back in December and their like okay this is what it's going to be and we're already set, it's okay. We're already where we are. The customer doesn't have anything new to try to deal with or understand or whatever. It's already set.

Mr. Tompeck said a couple of quick comments. One of the things you mentioned I think is really important is that we are going into a period of time where you use less electricity. So the folks, their bill would higher, but it would probably still be less than what they normally see in June, July and August time frame. The other thing is if you look at the curve here $18 isn't the complete panacea. It only gets you closer. But I think -- I think it's a good recommendation. We would certainly like you to approve that.

Chairman Fee asked how long have we been at a negative PCA? It's been five, seven years?

Mr. Tompeck said no, I think it's been about 3.5 or 4 years.

Ms. Mika said this particular screen shot here. They are back two years we've been negative.

Mr. Tompeck said we were negative even before that. During that time we gave back about $3 million dollars or more to the customers when we were at a negative PCA.

Chairman Fee said that definitely was good times. Everything you know has its ups and downs. It looks like we're heading up to the up period and hopefully it's a short climb instead of a long climb.

Mayor Hudson said it's out of control.

Chairman Fee said it really is.

Mayor Hudson said go out and drill a well.

Mr. Lammers said I will say I was fully prepared if we take a look at the graph again for the comparison and projected Power Cost Adjustment over/under recovery. I was fully prepared to make a motion for a $30 increase so that we could have a $15 decrease in June. Ms. Bennett thoroughly talked me out of that idea. But I would -- I am prepared to support an $18 increase.

A motion was made by Mrs. Gibbons, seconded by Ms. Bennett, to approve an increase in the Power Cost Adjustment (PCA) of $18 per 1,000 kWh, from $0.00 to $18 per 1,000 kWh, effective December 1, 2021.

Mrs. Gibbons said can I just couple that with more advertising please. Maybe we need an Instagram account.

Mr. Tompeck said Javy and I have been talking about that in a little more detail today. Some of the traditional ways are not getting to our customers. We have to do something a little bit different. We'll come up with that answer.

Mrs. Gibbons said and then streamline too, if you guys – I'd love to, of course that's where I come from. If you would like some input, I can definitely help out with that.

Mayor Hudson said what you are saying is we need to show that everybody's hurting equally.

Chairman Fee said we're all residents here and customers. We don't like it when our bills go up either.

Mayor Hudson said that's why you have to be rate payer to be on the Board.

Ms. Bennett said is there anything that the Board can do to help with the advertisement? To let them -- let the rate payers know that we're onboard and that we feel the pain also.

Mr. Tompeck said other than talk with your constituents or whatever and spread the word of what's happening.

Ms. Bennett said I was thinking on the lines of maybe we're out there saying something or doing something with you all when you're advertising as a group. We can come together and say we're

on board, and this is the reason why and we're looking to get something going so we get more advertisement out there. That they will be more apt to get onboard with this.

Mayor Hudson said I think that's good idea. You could do a video of Board Members with different scripts saying this is not something we took lightly. We're hoping that because you're using less electricity in the winter that this will not feel a bit -- it's out of our control, whatever. Somebody smarter than I can write the script. I think if you have real people saying something and if you are Board Members I think that would be... I think that's a great idea. Not all together, but individually because we can't all be together.

Ms. Bennett said that's what I'm saying, individually.

Mrs. Gibbons said I want to be careful how we're communicate that to. This is a global issue. It's not like we're raising their rates. Let us help you figure out ways to keep your power low. That should be where we are coming from here.

Mr. Lammers said I think that's a critical part of the message.

Mrs. Gibbons said this is not just us raising rates. This is us reacting to what's going on and this is what we're doing to help keep our rates low. This is what I'm doing at my house to keep my rates low. Here's some ideas and ways you can mitigate.

Ms. Bennett said right that's what I was thinking on the lines of because you know they may think we're not living in St. Lucie County and we don't pay Ft. Pierce Utilities bills. Let them know, hey this is what I'm doing. These are the things that I'm doing to keep my bills down. These are some things that you can do. That's what I was thinking on the line of that what we can do to help out with the advertisement.

Attorney Koblegard said also saying paying for the fuel to run the plants. We don't keep a dime of it.

Chairman Fee said exactly. It's the cost of doing business.

Mrs. Gibbons said I want to be careful how we communicate that.

Attorney Koblegard said we have to follow through with that.

Mr. Tompeck said the problem in my mind is not the message. It's the medium. We haven't – we really haven't come up with the right medium. Radio helps, Facebook helps, Website helps. We still have a large percentage of people who don't follow any of those.

Mayor Hudson asked how about texting? Have we tried texting? Because I know in political campaigns that's what they are doing now is texting messages?

Mr. Tompeck said we are looking at texting and we're looking at some other things. We need to come up with a better medium. Very few people read the newspaper anymore. They don't read

TCPalm, they don't....I don't know where they get their news from other than they get it from Facebook. I think that's tragic. If that's where they get the news from we need to get the word out there. The medium is the problem for us. We need to figure out the right medium to get the message out.

Mayor Hudson said there's a lot of local radio stations that certain populations listen to. We could probably investigate that. Radio sometimes reaches a lot of people you don't reach in any other way. In print form, internet, but everybody has a cell phone. Many people have a cell phone and don't know how to use it, right.

Mrs. Gibbons said we're also to the point where events are going to be happening almost every weekend in our area. Right here in downtown there's an event almost every weekend for the next five months. Maybe it's, you know, even an in-person -- something with some kind of a demonstration or whatever.

Mayor Hudson said there's also the other side of that is raising the issue brings attention to the issue. Right? Sometimes, you kind of want to hide just the right medium of -- you don't want to be hammering it so much that they get -- they pay attention. They get irate.

Chairman Fee said Ms. Mika thank you very much for your presentation. You deliver bad news with grace. I kind of wish we had those nice fancy kiosks all working downtown where you can use that to push the message a little bit. But, I guess that's a good segue to the FPUAnet presentation.

Mr. Tompeck said the next item is Resolution 2021-14 which establishes rates for FPUAnet. Jason Mittler will make the presentation.

Mr. Mittler said good afternoon Mr. Tompeck, Mr. Chairman, and Members of the Board. I'm really pleased to present to you Resolution Number UA 2021-14 the FPUAnet broadband rates and charges. This resolution identifies three types of broadband services that FPUAnet will be offering throughout the electric territory.

The first type of service is enterprise. This service type is a point-to-point architecture that uses active Ethernet technology. It's typically for large businesses, schools or municipalities that require a dedicated internet with a service level agreement. This rate is by quote only an often requires contribution and aide. All tiers will provide guaranteed symmetrical speed and low latency to the end user. These types of rates are what we offered for the past 15 or 20 years.

The second type of rate which are the newer type of services that I think is going to be very helpful to the community. Our commercial and residential service rates. This uses point to multipoint architecture using a technology called Passive Optive Network or PON. It uses an

optical splitter placed close to the premise which allows a single fiber to be used as a distribution point far out on the network. This places a group of customers on a shared port with symmetrical speeds up to the tiers subscribed to. It considers what the industry calls best effort. It doesn't typically require a service level agreement.

This slide shows the proposed rates for shared services for commercial and residential customers. FPUAnet will offer managed wifi routers and additional static ip addresses. All rates are at or below market, but offer higher speeds that are symmetrical. A rate sufficiency study was completed to ensure that the rate would be adequate to support all capital and O&M costs. In order to borrow funding for expansion, one of the bond requirements requires establishing the rate. This critical step toward building a fiber utility and helping the city grow.

Resolution Number UA 2021-14 allows the Director of Utilities to approve promotional rates. All promotional rates based on acceptable rate of return. Promotional rates will be offered to any eligible customer that meets the defined parameter for the establishment time period. A record of all the promotional rates and offerings will be maintained and termination of service prior to the end of the promotional rate may be subject to cost recovery.

With that being said staff is requesting the approval of Resolution Number UA 2021-14. A resolution establishing a schedule of rates and charges for the services and facilities furnished by the FPUAnet systems of the Fort Pierce Utilities Authority, Fort Pierce, Florida in accordance with Article 12 of the charter of the City of Fort Pierce, Florida and providing for an effective date hereof.

Mr. Tompeck said I think Jason just took Jill's thunder for reading the resolution. We appreciate that thank you.

Mr. Mittler said oh I apologize.

Mrs. Gibbons said she's probably happy.

Chairman Fee asked any questions from the Board?

Mayor Hudson said I have a question. These are establishing rates. We haven't had rates before?

Mr. Mittler said Madam Mayor we've had the enterprise rates. These are point-to-point rates. These types of rates are a dedicated service and oftentimes you have to build out to the customer. Rates could be different based on the rate of return. There hasn't been standard rates. For us to deploy fiber to the premise, when we build out these new areas we're going to be building out fiber to every parcel and so by doing that you've already incurred or calculated the cost per parcel and so, therefore, you can offer standardized rate.

Mayor Hudson said our current customers who are enterprise customers will be getting a standard rate?

Mr. Mittler said no it's two different types of rates. The easiest way to do it is to picture here up in front you can see the central office picture is one of our two data centers and they have an individual fiber pair from that central office all the way to their business. So there's a substantial cost associated with that. The difference in these shared rates are you have the central office these data centers, but maybe right at the curb there's a splitter that's placed where one fiber is used from a central office to come out and feed 64 customers. You are able to divide that cost of the fiber up amongst those customers where it's not dedicated internet or bandwidth. It's best effort. You might have that up to speed where you've experienced at your house, except for we believe the up to speeds that we're going to be providing are going to be substantially better with the availability and the up load speeds will be tremendously higher than any other provider that provides in the City of Ft. Pierce currently.

Mayor Hudson said so commercial and residential are new customers, but the enterprises are dedicated customers that we already have.

Mr. Mittler said yes ma'am and we also have other customers that would want that. If you look into the resolution there's a clause for commercial customers. For a commercial customer to get the par or the shared rate. We're typically requiring less than 20 users and because the reason behind that is let's say you have 100 employees on computers and they subscribe to our gig service. They're going to be utilizing more bandwidth more frequently than a business that has two users and they've got these discounts/lower rates where that type of business, to schools, a large municipality, large businesses they typically are ones that want a specific service level agreement. They want guaranteed speeds when they need them. They have the ability to pay those higher prices.

Mayor Hudson said I just told you how little I know about this. You're explaining it to me so I can understand it and I guess what I'm really trying to find out is this is not a rate increase we are setting rates.

Mr. Mittler said yes ma'am. I could probably show you something real quick. This is a comparison showing some of our competitors rates against our service offerings. AT&T currently in Ft. Pierce only offer 50 megabits service, so I really didn't include them. Comcast is really our direct competitor and so their base level business service is 50 megabits per second, but it's $80 and we're saying 100 megs symmetrical and you're going to notice that the businesses are a little bit higher on our rates and what we found through research is that businesses are more concerned about their service quality and they have a little bit of revenue. We don't want to be too high. I think that being right there at the market, the level of service we are going to provide to them is much better because when their cash register is not working because they can't take a credit card they just lost more money than they pay for internet costs in the month than in the two hours they were out of internet. On the flip side and the residential side, our service is going to be so much better than the other competitors, but most of the residents are really concerned

about how much they play. Where a lot of our current services we will be offering are much higher than what people may need. A 100 megs symmetrical service, which is our base level service, Comcast offers a 50 meg that's a 50 meg by 3 megs, 50 megs download, 3 megs upload. We're saying our base level service is 100 meg by 100 megs and we're going to offer that for $49 where Comcast is offering for $56 now....again that's their retail rate. They may run promotions, 12 months then they'll switch out. Then you get into this contract. For us, being the utility, we want them to be our long-term customer. We don't want them to have to change out. We want them to be customers for years. Just as they operate in the rest of our utilities. Does that help to explain?

Mayor Hudson said it does. We're talking speed or reliability?

Mr. Mittler said both actually. We believe that we will be better in speed and reliability. One of the major points in reliability is it's all fiber based where you have an aged copper system that is susceptible to corrosion and they have issues, and not only that, is they have active equipment meaning they have devices out in the field. If a power outage happens they lose connectivity. We will not have any active equipment in the field. All of our active equipment will be inside of our data centers. All located in a backup generators storm hardened environment.

Mayor Hudson said if we lose power our own power.

Mr. Mittler said essentially someone could be out of power and they could have a little small generator or small battery, and they plug in their OWT, their router, and they still got internet. That's a major difference between us vs some of the other competitors where they have to roll out portable generators to their sites and someone has to sit out there and so that's a significant value for us.

Mayor Hudson said thank you.

Mrs. Gibbons said I have a few questions.

Chairman Fee said I think Ms. Bennett had a question first.

Ms. Bennett asked how do we come up with the cost?

Mr. Mittler said we did tons of research in finding this and found out there wasn't a specific model to do that. So what we did was we found out that rates are really set on market. FPUAnet being a SELAC, which is a competitive local exchange carrier, where we're registered to be a provider through the FCC the Federal Communication Commission. We have to be competitive against other incumbent's verses electric, water, wastewater and essentially gas. Gas has some competition, but not like us. When we come in if we're not lower or better service we won't get any subscribers. Our rates are based on market and then what we did was with working with Fugitsu network communications and having Murray with Raftelis Consultants he reviewed our total cost model and looked at as a rate sufficiency study based on certain subscriber counts. We

were able to say okay if we look at our loans of the $3 million dollars that we're projecting with the debt financing. We're able to look at say, are these costs going to be covered based on these take rates. We looked at industry standard of 35%. Which is pretty common. Our major focus in the beginning is going to be the small business customers and moving into residential. Lincoln Park would be one that we would move into the residential prior to some of the other areas. One of the major values of Lincoln Park project is that they would be the first to have fiber and without the funding of the projects probably wouldn't happen.

Ms. Bennett said again, what are we doing to advertise these services?

Mr. Mittler said until today we have been a hidden secret. My goal has not been to advertise. Because once the incumbents and individuals watching this they will say, whoa. You are better speed, better customer service, more reliable and cheaper than me. They will not be happy. We are going to be ramping up a marketing campaign. We will be using creating an online marketplace where we'll be creating zones for specific areas that we will be targeting. Then we'll try to enroll champions in those neighborhoods and say, look, are you wanting to get this in your neighborhood? I know Ms. Gibbons she will be champion for downtown. She will go door to door and talk to everyone else. The idea is it's hard to go into a neighborhood and business area that only has one subscriber. Our hopes are that if we got such a great take rate there's a possibility in our future that our rates could decrease.

That's the major difference between municipal broadband and the other providers where their bottom line is going back to their shareholders, our bottom line is going back into the utility to invest in the feature to expand into other areas that may not have a good take rate. Which allows us to go build into a neighborhood that probably can't afford it, but we could build these type of technologies, these type of deployments, into those neighborhoods which would -- we may not have profitable take rate, but because we had such a great take rate in those other neighborhoods and other areas, that could help fund it.

Mrs. Gibbons asked what are we doing about any kind of television services, voice over ip? Any of that stuff going to be together?

Mr. Mittler said we've done a lots of research in the area of video. Cable television is a dying market. There's a significant capital cost to bring in head-in equipment. What that means you would have to own that equipment and then republish that -- those channels and work with the different channel offerings and it's really interesting market right now. Because everybody is wanting to break off. Because they want Disney+ and ESPN. They are breaking out and everybody want ala- carte. You don't want 3,000 channels when you only watch five. We're not going to be offering a video service at the time. We're constantly talking with people -- companies that hey, look, you can do it over the top. What that refers to is they can come through our network and offer the video service. We would maybe get an affiliate agreement with them. We're kind of hands off. We're not going to be monitoring their channels and things. We could get a certain

amount of revenue from it. We haven't found one of those that's really effective for us, but we are talking with various affiliate streaming services. Maybe Sling tv or Hula tv. If we can educate the customers, we can save them money. Where many people have $160 internet and cable bill. By cutting the cable, which is a term that's used often, now they are at $60, $70. You know because now they've paid a $20 or $10 fee for Disney+ or $30 for Sling tv or something like that and they get all the channels they want. If they just want NFL package. Go buy that one package and they can stream it through their devices.

We will be doing a significant educational campaign to educate our customers on the value of moving away from cable and moving toward online streaming.

Mrs. Gibbons said I think you just came up with your marketing tag line there.

Mr. Mittler said concerning voice over ip. We are in talks with a few partners that do offer over the top service, where we could be hands off, they could come and sell it for us and all we could do we wouldn't pay anything. We would receive an affiliate portion and we don't have to do anything for it. That voice over ip service is critical when we start marketing to small businesses because oftentimes the Comcast and AT&T of the world want to couple, hey we got this double play, triple play. You got internet and phone and we're going to throw all this in as a package. We will be able to do very similar things. We aren't finalizing those contracts yet. We understand that's a need for businesses. I don't envision or see us moving into cable or offering video service branded by FPUAnet.com.

Mrs. Gibbons said I totally get that. How will you build this? Will it be on the one bill? Separate billing?

Mr. Mittler said we're working with customer service right now to begin talking about the logistics of how do you do that? We've kind of got it both ways currently. We have some customers that are currently outside of our electric territory and we created certain internet accounts. There's value in both sides. One is some people want one bill. Which is great. The negative on that, is if someone can't afford their total bill, they can't just choose to not pay their internet and their electric is cut off and so that's some things that we need to really talk about with staff. We haven't got to that point yet.

We have to bring these to the City Commission for final approval. We want to get this moving and our goal is to start deploying in the first quarter of '22. We're really close to doing the high-level design completed for the downtown area. I know you're excited about it. We're excited to bring great service to you.

Chairman Fee said two questions.

One, what is the minimum plan customers will have to purchase in order to stream? Maybe they just stream their television constantly.

Mr. Mittler said our minimum plan would be enough. Our 100 meg symmetrical service is plenty. For example, 4k no one is streaming 4k. You can buy your 4k tv and you can go by 4k service, but I believe that's between 25 and 30 megabits per second per device. If you had four devices essentially you would be a sustained bandwidth of 100 to 115 megabits per second. That's what's important when you start moving into this telehealth or you're working from home and you're trying to stream and a doctor is trying to see something. They want to see it very clear. The current providers with a 3 megabit upload speed you can't get that type of video quality. With our base level service we're going to be well above it.

There's a lot of talks. The legislation was just passed a few days ago with the infrastructure bill. They are trying to redefine what underserved is. The current underserved term is a requirement of 25 megs down and 3 megs up. They're trying to define that -- I believe it's 100 x 20. So again, our base level package is going to be far above what the industry is saying, but because of deploying fiber and going from 100, 200, 500 to 1 gig those levels of cost are incremental. The cost is getting the fiber there. Once it's there, this is a 50-year infrastructure, it's out there. It's set in and forget it. It's very important for us to get this infrastructure to our community. To provide these great services.

Chairman Fee asked what happens if the person exceeds the 100 meg baseline. What if they go over?

Mr. Mittler said there's port thresholds that would be placed so they wouldn't be able to go over that 100 megs. We would have policies in place for someone that's trying to let's say mine bitcoins at their house and they want to do 100 meg service and they are over here and .....

Chairman Fee said no idea what that meant.

Mr. Mittler said let's say a heavy data user, a person that is running a video company out of their home. They are constantly uploading large files to the internet. We could see on that specific customer what their usages are and our policies we would place it in and say listen, you're average sustained bandwidth should only be this, but you're sitting here at 900 megabits constantly. It would be equivalent as to how we deal with the electric side and we look at the power factor. When a company has a bad power factor we kind of discipline them.

I recently met with Ocala. They have a fiber division like FPUAnet. They have a similar process where they would monitor individuals and if there was an abuser of it they would then go control that port speed. I hope we don't have to do that because of the infrastructure that we're putting in. I hope that answers your question.

Chairman Fee said sort of. Sounds like you have a process there. Whether I understand the ports and the technical aspects that go on computers I may not. It sounds like to me if they exceed you will slow it down. Perhaps give them a call and say you need to increase your plan.

Mr. Mittler said those are options we could go and talk through.

Chairman Fee said there's going to be a stop sign. You're not going to go over it.

Mrs. Gibbons said right now with Comcast they can throttle you. You may have 50 megabits, but only able to get 20. We would be unleashing 100 and it wouldn't be a throttle until you had 100 for the entire month, basically.

Mr. Mittler said correct and we can set those thresholds if we desire. Again, the technology that we're deploying is XGS Pawn is 10 gigs symmetrical. That's 10 gigabits per second on a port. It's similar technology to communities like Cedar Falls, Iowa which was named the fastest isp in the nation in 2020. The best gaming isp in the nation in '21. These same technologies we're deploying. Lake Nona is using the same exact technology which is a planned development in Orlando. I don't think that we will have those issues.

Chairman Fee asked any further questions?

Mr. Lammers said Mr. Chair two things.

One is a comment. Along with moving the wastewater plant off the island. I think that FPUAnet is one of the two things that I believe we have an opportunity to really significantly impact the culture and opportunities in our community. So the faster we can expand it for me the better.

Two, let's take a neighborhood like Paradise Park. What kind of uptake would we need in that neighborhood? What percentage are you looking at before you expand there?

Mr. Mittler said based on our models we're looking at 35% is what we would do. You can take Lincoln Park as the good example. Lincoln Park by itself will probably not get that type of take. But with funding of other partners, that may encourage or help that happen. Now there's new legislation that just came out which is the Emergency Broadband Benefit. I don't know if you are familiar with that term. They offer a $50 voucher for individuals that are low-income, they have reduced lunch, and they lost their job during Covid. Essentially based on our rates, individuals could actually get free service from us. That could substantially increase our overall take rates in neighborhoods. The 35% is going too really -- is at the industry standard. That's what our model is built on.

Mr. Lammers asked how do you measure take rate? Is it a signed contract before you start construction? What does that look like?

Mr. Mittler said yes. That would be the goal. To have a confirmed contract with the subscriber prior to starting construction. We could target -- we could reduce those based on some builds maybe less. Based on the distances of the parcels because cost could be less. This kind of -- there's some finesse in that.

Attorney Koblegard said Mr. Chairman, as Jason mentioned we intend to present to the City Commission for approval. There's an issue about the bond resolution and whether or not this falls under basic utilities. It doesn't fall under utility systems. That's why we need to ask the city to approve this for us. We're allowed to do it with the permission of the City Commission. The resolution, the second whereas said the authority is responsible for the development, production, distribution of electricity, gas, water, sanitary source collection and disposal and other utilities services as may be designated by the City Commission.

Like Jason also said this has been kind of a hidden secret. But now it's going to grow as much as we want to get this resolution to the City Commission for their authorization to go forward with the Resolution just the way it's written. If you follow what I'm saying.

Chairman Fee said I do.

Attorney Koblegard said its part of the motion if you accept this Resolution I would like you to direct that the staff present this to the City Commission for their authorization. I've already talked with the city about it and they're waiting to hear from us to go forward with it.

Chairman Fee said just for clarification, whoever makes the motion to approve the resolution also needs to direct -- pass that it be submitted to the city.

Attorney Koblegard said and to authorized staff to present this to the City Commission for their consideration.

Mayor Hudson said I have a couple of questions. Do you have targeted areas that you're going to start with? Do you have an idea?

Mr. Mittler said yes ma'am.

Mayor Hudson asked what are they?

Mr. Mittler said obviously downtown is a key area for us. With the downtown smart city initiative as well. We have the industrial area up in -- located next to the airport. We've received a high level design completed for that area. We've already got a lot of fiber in those areas and then the other areas are kind of low hanging fruit for us where we've got areas of existing points and entry into our system and we've got commercial parcels that we can start grabbing customers for just installing service drops. Where we have had lots of people calling us for two years. We have a list of people actually. Probably got six calls in the last week. Those are things that we will look at and say alright how many people are in the areas and start targeting those specific zones.

If I had all the money I want we would just go build the entire city. But you know, the idea is if I can build an area that we will get good take rates those specific areas will help fund additional areas.

Mayor Hudson said right. Also you need to keep in mind that there are a lot of home-based businesses. You may end up, in light of Mr. Fee's question, if there's heavy usage or there is a home based business they may need to be a commercial rate.

Mr. Mittler said we did some research in that and instead of us putting limits on this at the time, we decided so let's kind of experience this. Let's do some testing instead of putting in these hard limits at the point. Because we've talked with different utilities and different consultants, and it wasn't really clear. It wasn't always do this. So I figured the best way for us to do it is to try to start and then we're able to take a look at various places.

Ms. Bennett said I heard you speaking on the commercial businesses, but you never mentioned the residential areas that you're targeting.

Mr. Mittler said we haven't identified any key residential areas at the moment other than the Lincoln Park area, the Lincoln Park project. Because I don't have the current funding. I only have so much dollars available. If the Board says, we don't want you to do commercial, we want you to focus on residential, and I guess we could look into that. Our focus is looking at the market that's really where we can get high take rates and start gaining revenues to then go fund and then go reach out to the residential areas. Because one thing that's unique about FPUAnet it's not a separate enterprise fund from Fort Pierce Utilities, but it has to be self-sufficient. We have to stand on our own financially. That's important.

Mayor Hudson said maybe the Lincoln Park project -- I don't know if Ms. Bennett was on the Board when we talked about it. Maybe you can in 25 words or less explain to her what it is.

Mr. Mittler said there was a few years ago, it's been a little while there was a Lincoln Park smart neighborhood initiative that spans between 7th Street, 25th Street, Avenue D and Orange Avenue. That the scope has changed a few times, one was just a wireless system. We did a study and found out that wasn't viable as a long-term system and so we've worked on doing some fiber to the home to all the parcels with collaboration of the City of Ft. Pierce, Alleghany Francis Ministries and St. Lucie County. We broke it into two zones and we're kind of in conversations with them of updating the MOU at the moment.

Mayor Hudson said thank you.

Chairman Fee asked anybody care to make a motion?

Ms. Sabota read a Resolution UA 2021-14. A Resolution establishing the schedule of rates and charges for the services and facilities furnished by the FPUAnet system of the Ft. Pierce Utilities Authority Ft. Pierce, Florida in accordance with Article 12 of the charter of the City of Ft. Pierce, Florida and providing for an effective date hereof.

A motion was made by Mrs. Gibbons, seconded by Mr. Lammers, and unanimously carried to approve FPUA Resolution UA 2021-14 A Resolution establishing the schedule of rates and charges

for the services and facilities furnished by FPUAnet including presenting to the City Commission these updates.

Chairman Fee asked Mr. Director do you have any items?

Mr. Tompeck said I think we've done enough damage for the day. No further comments, thank you.

Chairman Fee asked any report from the Attorney?

Attorney Koblegard said just briefly. The new Director, Mr. Cisneros and I worked out the terms of the contract and we plan to present that to the Board at the first meeting in December for your approval.

Chairman Fee said thank you. Any comments from any other Board Members?

Mr. Lammers said I have just one. I wasn't 100% clear on what all the benefits or the motivation from the City Commission was for having the Treasure Coast Regional Planning Commission involved with the moving of the wastewater plant. I do intend on setting up meetings with the Commissioners to kind of go over that and discuss what their hopes are for involving a third party. I just wanted to state that to the rest of the Board.

Chairman Fee said please try to circulate by e-mail what your findings are.

Mayor Hudson asked is that a Sunshine violation?

Chairman Fee said not if it's public record. I think he can circulate by e-mail to all Directors so long as it's the FPUA email. Can he not?

Attorney Koblegard said the responses are you talking about?

Mr. Lammers asked kind of the results of the discussions that I have with the Commissioners is what you are asking for.

Chairman Fee said correct.

Attorney Koblegard said it's probably better to do that at the meeting here.

Mr. Lammers said okay.

Chairman Fee asked any other discussions?

Mayor Hudson said I think that would be great. I would welcome it. I don't know if we can talk -- you and I can talk.

Mrs. Gibbons said we have to get your feedback there.

Attorney Koblegard said you can talk away right now.

Mayor Hudson said pardon.

Attorney Koblegard said you can talk away right now.

Mayor Hudson said yeah I can. But, I won't right now.

Mrs. Gibbons said I mean, I know we've talked a little bit about marketing and everything and I need to put Jann on the spot. I would love for her to give us an update on what she is doing to communicate out and what our general future is of that. I don't know if that would be possible to give her an opportunity.

Mr. Tompeck said of course at the next meeting you would like to do that.

Mrs. Gibbons said sure.

Chairman Fee asked any other comments from the Board?

There being no further business, the meeting was adjourned at 6:00pm.

ATTEST:

SECRETARY

CHAIRMAN