MINUTES OF A REGULAR MEETING OF THE FORT PIERCE UTILITIES AUTHORITY, TUESDAY, DECEMBER 7, 2021, 4:00 P.M., CITY COMMISSION CHAMBERS.

Members Present: Chairman Frank H. Fee, IV; 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; Lois Wolfe, Acting Director of Regulatory Affairs.

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

Opening Prayer was by Jason Mittler, FPUAnet Manager.

The Pledge of Allegiance was recited.

The roll was called and a quorum declared.

Chairman Fee said we have the agenda and we do need to add one extra item. That is Mrs. Gibbons is not present today. She has a conflict that is work related and so we need a motion to have her excused.

A motion was made by Mayor Hudson, seconded by Ms. Bennett to approve the motion to excuse Mrs. Gibbons from today's Board Meeting.

Mr. Cisneros said Mr. Fee before we continue there is presentation by Mr. Pupard for a Certificate of Appreciation.

Chairman Fee said will you please come forward.

Mr. Pupard said good afternoon Mr. Chair, Mr. Cisneros and Members of the Board. I would like to present this Certificate of Appreciation that we received from Fort Pierce First Church of the Nazarene, Manna Ministries. It's for food donations that FPUA employees have given to the community. We have a long tradition at FPUA of donating nonperishable foods. This year we've donated 900 pounds and we look forward to continuing that tradition next year. Thank you.

Chairman Fee said thank you. All right now do we have a motion to set the agenda?

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

A motion was made by Mr. Lammers, seconded by Ms. Bennett, and unanimously carried to approve the Minutes of the Regular Meeting of November 16, 2021.

Chairman Fee said we will move on to the Consent Agenda.

Mayor Hudson said I move approval.....

Chairman Fee said alright any second?

Mr. Lammers said Mr. Chair I would like to pull one item off the Consent Agenda.

Chairman Fee asked which item is that?

Mr. Lammers said for further discussion, that's D-3 the video wall upgrade.

Mayor Hudson said I will amend my motion to approve the rest of the items.

Chairman Fee said so that's going to be item 1, 2, 4, 5 and 6 and 7 will remain on the Consent Agenda.

A motion was made by Mayor Hudson, seconded by Mr. Lammers, and unanimously carried to approve the Consent Agenda, noted the removal of D-3 for further discussion.

1. Retirement Board Appointment - Barbara Mika
2. POA No. 13-67: Approve Amendment No. 2 to the Miscellaneous Truck Repairs and Maintenance Contract with Altec Industries, Inc., of Birmingham, Alabama, to increase the not to exceed contract amount by $110,000, from $40,000 to $150,000 annually.
4. POA No.17-60: Approve Amendment No. 1 to the Lawnwood and Savannah Substation Battery System Replacements Contract with Alpine Power Systems, Inc., of Longwood, Florida, to increase the not to exceed contract amount by $1,733.09, from $51,444.40 to $53,177.49.
5. RFQu No. 20-10: Approve the Continuing Contract with Powerserve Technologies, Inc., of Jupiter, Florida, for Professional Engineering and Design-Build Services for Electric and Gas Systems. The initial term of this contract is December 8, 2021 through June 30, 2025, with unlimited five-year renewal options.
6. Approve Post Budgeted Project/Budget Request for the Savannah Ridge residential PUD site development in the amount of $196,678.
7. RFP No. 22-04: Accept proposal and Contract for Reverse Osmosis Variable Frequency Drives Replacement at the Water Treatment Plant with Howard Woodrow and Associates,

Inc. of Fort Pierce, Florida, in an amount not to exceed $135,000. The Reverse Osmosis Variable Frequency Drives Replacement is $119,655 the additional funds of $15,345 are contingency funds for any unforeseen expenses once existing materials have been removed. This Contract will commence upon written Notice to Proceed and end upon final completion of the work and acceptance by FPUA, contingent on receiving required Certificate(s) of Insurance.

Chairman Fee said we want to discuss D-3 the Video Wall Upgrade.

Mr. Cisneros said Mr. Chairman, Mr. Tom Fryar is here and he will be able to present the item.

Chairman Fee said thank you sir. This is a pretty big item.

Mr. Fryar said it's a pretty big wall. It's a 3x4 video wall. When I say three by four this gives you an idea of the size of the monitors. Roughly about 42 inch monitors going three across and four down and it sits in the dispatch office.

Chairman Fee said and these monitors are used for what?

Mr. Fryar said normally during storm situations what they have they can actually split up the screens into multiple areas. They will have the outage management system and other alerts and notifications on the others. So they can keep track of it and its large enough so that everyone sitting around a desk trying to see what one person is seeing on the screen. They can share their information on the screen. The dispatchers can throw their screen up there. This allows to multi-share. Sometimes you may have one, two, three, or four dispatchers or Tommy Parker in there that's trying to see what's going on and to help organize it. It's basically the historian, the outage management system. There's a lot of software running on the screen that everybody can see.

Chairman Fee asked any other questions from the Board?

Mr. Lammers said Mr. Chair, I've had the opportunity to see this video wall in action. It's a very useful tool for the utility. I do have a couple of questions. One is just a general comment when we use verbiage in a presentation. I would like, when we use the verbiage end of useful life, I would like to see what the industries expected useful life of that equipment is and then also along with that the age of the equipment we're about to replace. More specifically, how old is this equipment and if you know what the industries expected useful life of this equipment is?

Mr. Fryar said usually they can get a minimum of three years. Sometimes as much as five years. After year three that's when the hardware starts dying and some of the monitors go because they are on 24/7, always running and it gets pretty hot in that area. They start dying a little bit faster. A lot of this also goes on the plans of the software and how long the software is supported by the industry that made it. It's a combination of the hardware and software. This originally

came to the Board back in May of 2017. It was an operation roughly around August/September of 2017 so you're talking about a little over four years. We've already had a couple of monitors go. We've had to replace multiple hard drives in the server itself. It's gotten to the point where it's failing continuously.

Mr. Lammers said understood. It's basically to the point where you can't really maintain it as it is.

Mr. Fryar said that's correct. It's hard to maintain and especially in this case the software updates are necessary and they won't support the software either.

Mr. Lammers said so then one last thing in reference to this I would have guessed if I were on the Board in 2017 that the screens probably would have lasted longer than this. When we're purchasing a new item maybe add on there what the expected useful life is and when we would expect to have to replace it?

Mr. Cisneros said we can certainly do that.

Mr. Fryar said I also try to do the extended warranty a lot of times and this one wasn't passed through ITS to do the extended warranty or suggest the extended warranty. Just letting the Board know that too.

Chairman Fee asked any other questions from the Board? Anybody care to make a motion?

A motion was made by Mr. Lammers, seconded by Mayor Hudson, and unanimously carried to approve D-3 of the Consent Agenda.

3. POA No. 17-50: Approve the Contract for the Video Wall Upgrade with Activu Corporation, of Rockaway, New Jersey, in an amount not to exceed $89,025.06. The contract shall begin upon written Notice to Proceed and end upon final completion of the work and acceptance by FPUA, contingent on receiving the required Certificate(s) of Insurance.

Chairman Fee said moving on to Letters of Appreciation. Are there any today? There are none. Any Old Business? There being none we will move to Item G.

Mr. Cisneros said thank you Mr. Chairman. The first item this afternoon is an information presentation by Michele Harris, our Finance Controller and Melissa Martin, our Billing Supervisor. Michele will provide an interesting perspective of summer verses winter consumption for our customers. Melissa will provide details on the FPUA budget billing program. Both of these items tie together really well as the Board and staff are faced with tough decisions in the next few months related to the electric PCA. Michele and Melissa will present this item.

Ms. Harris thank you Mr. Cisneros, Chairman Fee and Board Members. Good afternoon. Melissa and I are here to present the projected effect of the current increase of the PCA to the average electric billing and to provide information about budget billing. The Board voted to increase the PCA from $0 to $18 per thousand kilowatt hour's effective December 1st. This decision was based on market conditions of natural gas and aligned with the concept of increasing the PCA in the winter months when the weather is cooler and the number of customers are greater.

We decided to run some figures from the previous winter and summer months to better estimate the upcoming winter consumption and bill amounts. I believe you got new handouts before the Board Meeting.

What we did we first compared the figures from last December of 2020 and compared them to this past July. We chose these months to compare because July has the highest consumption in the summer and December is usually the highest in the winter. We found that consumption was over 30% higher during this past July than it was the previous December. If consumption is consistent, this December from last December, the average residential electric bill for this December is projected to be at about $128 and just so that we have a gauge as to where we stand over the summer bills, that's about $30 less than the highest someone would pay in July for average consumption.

This chart compares the actual consumption and bill amount for July and estimates December's figures for inside and outside city as well as St. Lucie Village. Even with the PCA at $18 compared to a negative $12 in July, the projected average bill amounts may be lower by as much as $14 inside city, $28 outside city and $41 for St. Lucie Village as compared to July.

This chart compares the actual average consumption and bill amount for the whole four months that we consider the summer and estimates for the upcoming winter months as well. This is also broken down by inside and outside city and St. Lucie Village. Using the $18 PCA that we have now, the projected average bill for those entire four months would be a little bit lower. About $18 inside city, outside city about $24 lower than the summer months and $32 for St. Lucie Village.

FPUA does understand the hardship the recent fluctuations of the PCA could cause customers in terms of budgeting. We do offer a budget billing program that would provide customers with a more predictable utility bill. But before I hand it over to Melissa I will be glad to answer any questions over these three slides. I know that was a lot of numbers.

Mr. Cisneros said I think this is a very good explanation of the Cavalcanti theory of raising the rates during the winter verses the summer.

Ms. Harris said it's just that consumption is so much lower in the winter that's why we want to.....we figured you know you've been voting on this and have been vested into this concept it would be nice to actually see it into play.

Mayor Hudson said it's kind of a validation of it.

Chairman Fee said so it sounds like for the consumer and our customers that 30% swing is what they should prepare for or at least anticipate. Although it can't be as accurate, but it's something they can at least think about.

Ms. Harris said the 30% swing or the consumption is typically 30% lower in the winter and it just so happens that the PCA between July and that was also $30. I just don't want to confuse the.....

Mr. Lammers said for me, the big take away is that even though we've had to raise the PCA, the bottom line for the customer is it's still going to be lower.

Ms. Harris said and it's almost like what we've been doing with the PCA is raising it in the winter and lowering it in the summers. Almost like we're trying to budget bill for the customer, or we're trying to keeping it as constant for the customer as possible. Which kind of led us into kind of promoting our budget billing program. That way the customer is more in control of it.

Mr. Lammers said I think when we do it that way, the rate stabilization fund is achieving exactly what the intention is; right?

Ms. Bennett said I see you said inside city limits its $117 and outside city limits is $119.35. I am thinking about the Paradise Park area. Some of us are -- we're considered city. Some of us are not considered city. Is there any way that we can be able to establish a budget or something for those that are inside the city and be able to get the inside city price verses the outside city price that we're paying? Because I'm inside city, but I'm still paying outside city prices.

Ms. Harris said what varies is if consumption is the same. If someone inside the city and outside of the city is consuming the exact same amount of kilowatt hours the difference between outside the city is the 5% county franchise fee. It's the only difference. That's set by resolutions and things, but that is the only difference. Everything else is the same. The 10% -- it's either a 10% utility tax inside city or a 10% surcharge. So those are equal. The only thing different is the 5% county franchise fee.

Mr. Cisneros said the price is the same whether you're inside the city or outside the city and this is a discussion that Michele and I and some others in the group had about why is there is a difference between inside the city and outside the city. There wasn't a specific golden egg that we could find. What we found was that there's a lot more multi-dwelling units within the city so the square footage is less. Naturally you're going to see less consumption within the city because

of a higher density of smaller homes. That was a contributing factor vs outside the city where you typically are on a lot and you have a bigger home. That's one of the takeaways we had from the data we were looking at. We will continue to data mine to see if there's anything else we can find. That stood out the most. A larger number of smaller homes within the city.

Ms. Harris said to kind of clarify the chart, I know it looks like the outside city is paying more by about $19, but it's just because the consumption is higher. The average consumption with the outside city. If you look below this chart, the average consumption during the winter inside the city is about 700 kilowatt hours, outside city is 797. The consumption was the same inside city and outside city would be paying the same, except for the 5% franchise fee. When we run these numbers consumption tends to be higher for the average person that lives outside the city. Does that clear it up?

Ms. Bennett said I'm looking at the 5% franchise fee. If I am in the city I just want to know when will we be annexed in to be able to get rid of that 5% franchise fee?

Mr. Cisneros said well that was a good discussion last night at the city commission. I believe they are working on a plan for Paradise Park and some other areas too.

Mayor Hudson said the City Commission has gone to the county and asked that we be allowed to annex what we call 1-A in essence Paradise Park east of 25th north of Q. We did that about three years ago. The county came back with something less than desirable -- not very encouraging. So we've been working on that since then and we are going to renew that effort right now. We talked about it last night and said let's go back to that and try that again. We had a joint meeting with the county in early November and so we haven't learned our lesson we're going to try again. We've annexed a lot of those properties individually. That's why we picked that area because it's mostly in the city. We're going to try to get that whole area. Then it won't look like swiss cheese anymore.

Mr. Lammers said I do have a follow up question to that. What mechanism is in place and how long does it take once a customer does get annexed into the city for them to have that franchise fee removed?

Mr. Cisneros said Melissa can you answer that?

Ms. Martin said it's immediate. Once we receive the documentation from the county stating that the property has been annexed, Mayor Hudson signs off and I receive the paperwork we will switch it over immediately.

Ms. Bennett said so you're saying immediately the ones that are already annexed in the franchise fee has been removed?

Ms. Martin said as long as we received notification that the property has been annexed inside the city, yes. I'll be glad to look at your account.

Mayor Hudson said you need to look into that, yes.

Mr. Cisneros said even though you may have signed an annexation agreement the process may not have been finished for the annexation to be formal. As soon as the process is formalized, it automatically gets removed.

Mayor Hudson said formalized if I may Mr. Chairman and Javy. FPUA does what it needs to do and then it goes to the city. Then the city has a number of steps before it can be formally annexed in because it has to be continuous. They have to publish it in the paper. They have to give the right description. They have to take it to the Planning Board. There's a number of steps. What FPUA does is one thing and what the city does is another thing. Like last night we annexed 30 something properties and those properties may have been getting water services for two years. See what I'm saying? Because they are not annexed in immediately. They just sign the annexation agreement that said whenever the city is ready I know I will be annexed into the city.

Ms. Bennett said ok because it's been years when they did it the first time.

Mayor Hudson said so we need to look at yours.

Ms. Martin said yes, ma'am.

Ms. Bennett said thank you.

Attorney Koblegard said I should know, but I have forgotten. Why is the Village so high?

Mr. Cisneros said they have a significantly larger average square footage of a home and it's much higher in the Village.

Chairman Fee asked any other questions?

Ms. Harris said I'll hand it over to Melissa.

Ms. Martin said thank you, Michele. Good afternoon Chairman Fee and Members of the Board. My name the Melissa Martin and I'm here today to give an overview of our budget billing program.

Our goal is to provide a consistent bill for our customers throughout the year. We do offer this service to residential customers only at this time. Out of approximately 25,000 residential

customers that we do have, only 110 customers are taking advantage of our budget billing program.

The requirements to be on budget billing would be an initiation from the customer to customer service. So they would either contact us by phone, e-mail or they can go on FPUA.com and complete the budget billing authorization form. The customer must have resided at the address that they're signing up for billing for a minimum of 12 full months. We do use actual consumption when figuring the monthly budget amount. We need to ensure that that customer is using consistently for those 12 months. The customer must have no past due balances on their account and this does include special payment arrangements. Any balance whether a credit or debit that is on the customer's account after the 12 month period of budget billing will roll into the new calculation. Most of our customers do carry a credit so they would roll a credit in addition to their 12 months consumption and potentially lower their budget amount monthly.

The budget is included for all utilities available to the customer. They can't choose to budget their electric if they offer electric, water, sewer, gas, garbage, recycling, outdoor lights, everything would be included in that budget amount. The customer may opt to end their budget billing at any time, however, they would need to wait a minimum 12 month period before re-enrolling into the budget program. FPUA may terminate the budget billing for the following reasons:

- Nonpayment
- Tampering
- Return check
- Fraudulent credit card payment

Those balances will be due payable at the time of termination of service.

FPUA does reserve the right to increase or decrease the budget billing at any time. The only reason that we have done this so far in its history of budget is if the customer is carrying too large of credit or too large of a debit. We'll recalculate them to get them back on track.

FPUA does add 10% of the calculated total to ensure coverage for any overages. This is only for the initial 12 month period. We would take the 12 months actual history, add 10%, then divide by 12 and it's only for that initial 12 month period. Once the customer does see their budget bill they are trying to conserve and keep the budget low. We usually end up with a credit, like I said, and that rolls into the next budget. It's only for the initial 12 months period that we add that 10%.

This is a look at our internal calculation for our budget billing. This customer has a current balance of $150.60. That would be due before we place the customer on any budget plan. We use a current 12 month period. Whenever the customer does contact us we will go twelve months from the most recent bill. We don't pick and choose the months. It's just when the customer does contact us to initiate this.

With these figures this is an actual 12 month bill. With the 10% that customer would pay $255 per month and as you can see it does benefit the customer in the summer when the consumption is higher and of course it does level out in the winter months when the customer may be used to paying less. However, it's very consistent. It does provide a security to that customer to say hey I'm only going to pay this amount every single month.

When calculating these totals I did go back to June of 2020 through May of 2021 using a different set of 12 months and although it's the same 12 months essentially it was about $20 more. Again, this is based on the customer's consumption. It's up to them to conserve and get the bill lower in order to get their budget amount lower. It's a very helpful tool for customers.

Some of the benefits of budget billing like I mentioned is consistent. You know exactly what you're going to pay. There's no surprises. Most of our customers are on auto payment for budget billing which will allow them to make sure they are not receiving penalties or late payments. They can expect their bill to be exactly the same. On the bill it does give an over-short amount so they know if they are on track, if they are on target, to maintain that near zero balance.

This is very helpful for the summer months in that we have higher consumption with our electric usage and also for unpredictable PCA increases in the winter. The customer would not feel those effects immediately and they do have a running total of what their debit and credit is. Consumption is the best way to lower your bill, excuse me..... conservation is the best way to lower your bill. Some of the benefit that FPUA offers is our electric and gas rebates. Older appliances, less efficient appliances they'll be able to...customers that are replacing them can apply for a rebate with us through our website FPUA.com.

We also have partnered with the city for our WEOP Program. The weatherization educational outreach program and for households that qualify, we'll go in and replace doors, windows, insulation, things that are most needed in the home to ensure that the consumption does go down. Lastly, our tool that everybody can access is our online home energy audit. This is a web site that you can enter your own personal information, your square footage, the age of your home, the age of appliances, how many people dwell in your home, things that are personal to your home and it will give you ways to save. Conservation is definitely key to lowering your bills and budgeting is a really great program for customers to be able to ensure they are not feeling the effects of these summer bills and unexpected PCA's.

I would love to answer any questions you have.

Chairman Fee asked any questions from the Board?

Mayor Hudson said I have a question. How do you promote this?

Ms. Martin said currently there's information on our web site about budget billing in detail. Mostly everything I went over here is in detail on the web site. We will be putting this into our bill inserts for the month. I will be placing it on the bottom of our actual bill statements. There's usually a blurb down there and I'll make sure that we're advertising this budget billing. Like I said out of 25,000....110 are currently using it.

Mayor Hudson said so put it in big print and a different color.

Ms. Martin said and we'll have it on our web site and we'll make sure it's on the last page. We'll be advertising that as well because it's a great tool to use.

Mr. Cisneros said and we'll really focus on marketing during the April, May time frame so that before they get -- before the summer comes and they see a spike in the bill they'll be able to join the program so that will help as well. We will really focus on that time frame for marketing. Because if we market now, while the bills are lower, it wouldn't make as much sense as it would before the summer months.

Ms. Bennett said are we putting it on Facebook?

Mr. Cisneros said at the next Board Meeting Jann will present some of the social media outreach to include the PCA and some other items as well. So yes, we will be putting it on Facebook and other social media platforms, our website and the city website. She'll provide a little bit more information on what we plan on doing with some infomercials/commercials with the Board Members so that they are on the channel and on our web page and the city's web page for education outreach related to all of our programs.

Chairman Fee asked any other questions? Seeing none. Thank you.

Mr. Cisneros said thank you, Michele. Thank you Melissa. The next item information presentation is by Tom Fryar our ITS Manager. He will provide a 2021 review of FPUA's identity theft detection and prevention program. The program is required by the Federal Trade Commission and a yearly review to our Board is required for compliance. Again, Mr. Fryar will make the presentation.

Mr. Fryar said thank you Mr. Cisneros. Good evening again, Chairman, Members of the Board. As stated I will be here to go over the identity theft detection and prevention program and give you some incite of some situations that occurred during 2021. I will go over the history and purpose of this. The Committee itself and their functions. We will talk about red flags, the type of theft and fraud out there we've seen. We'll hit a couple of key performance indicators, of course that affects the customers and the company and a few "did you know" scenarios.

The Fact Act was passed in November of 2003 and sometimes I will refer to the Fact Act as the Red Flags, because shortly after that they made a small amendment of it and it's called Red Flags. The Fact Act is an amendment to the Fair Credit Reporting Act. This Act contains provisions to help reduce identify theft such as the ability for individuals to place alerts on their credit history. If identity theft is suspected or if deploying overseas in the military thereby making fraudulent applications for credit more difficult. Which is again, protects our customers as well as our servicemen. It also requires a secured disposal of customer information which we constantly do. Even though the Act was approved in 2003, the utilities we're required to have an approved program prior to November 1st of 2008 by respective government bodies.

The FPUA did in fact approve the program on October 21st of 2008 and also requested to provide updates on a yearly basis to the Board as well as the customers and hence why we are here. Part of this committee is we start off with the Director of Utilities to provide overall leadership for the committee; Director of Utilities Support Services is the Privacy Officer and provides oversight of the program and of course over customer service and ITS; Director of Finance provides oversight of FPUA funds; Customer Service Manager oversees the day-to-day operations for existing and new accounts to include billing and collections; ITS Managers oversee the day-to-day operations of the data and network security systems; Community Relations Manager oversees the distribution of critical information to the customers and employees as through the different modes and Human Resources overseas all the employee related information.

To the point of what is Red Flags. It is defined as a pattern, practice and specific activity that indicates a possible existence or attempt of theft. Identity theft in this case. Some good examples is the address whether it's fictitious or coming from a prison address or other locations that could have some questionable information or simply an empty lot on it. Consumer reports will indicate fraudulent or indicate military duty. Of course, then you get into altered lease agreements in which we have one tonight. Social security discrepancies, it doesn't match with the name or last name on it. Sometimes they'll try to add additional signature authority to it. Dishonored payments, this could be payments where they tried to make it on a credit card or check and they've been known to bounce checks or stolen credit cards. If we start off with cash or credit only and then if they have credit cards they go from a cash only situation. Of course, there's some identifications in the program that are in the training manual. I hope you received a copy of that. If you didn't I want to make sure you get it.

Our first KPI here is fraudulent payments. The last couple of years we haven't had any. This year we have had one. In this particular case, from a previous customer who attempted this back in 2018. We catch them once and it doesn't mean they don't keep trying over and over again. In this particular case, the customer service staff quickly picked up the Red Flags found within the letter and the first one they saw is the organizational name on it. The organization name is nonexistent in the Fort Pierce area. The address was a PO Box. There was no phone number in it so you can contact anyone to try and verify the letter itself and of course there was a lot of grammar and spelling errors.

Another one is our counterfeit monies. Just like every year we get someone knowingly or unknowingly trying to pass some counterfeit money. As you can see in 2018 we had five, 2009 we had two $100 and one $5, 2020 we had $100 and one $20. This year we actually had three $20 and it was easily detected because of the way customer service looks at the bills they spread the bills out and they take a pen and go across it and see if the color changes. On this one it was easier because all the serial numbers were the same. It allows them to take a look at it and say wait a minute. One of the things they will do is show the customer and say yes we have a fraudulent bill and no you can't get it back because it has to go to secret service for investigation. We pass that on to them. Customer Service does a great job of teaching during onboarding and they do refresher courses throughout the year. In the past, they've had the sheriff or the local law enforcement come in and present that type of session there. Of course, you can see on the screen this lovely $100. I don't think it will get you any popcorn at the movie theater. This is for motion pictures, its fake money. This is the type of thing that could happen out there in the real world. It's people passing it and not paying attention and grabbing it. That's why I say unknowingly.

The biggest one that I deal with, or my team deals with on a daily basis is cybersecurity. Doug Pupard has done a great job to help secure the system and continues to secure it. Basically, we have a lot of hits that come across whether it's e-mails, people basically coming in from the outside trying to come into the system. Just to give you an example, we had 16,000 emails last month and in the previous month we had 17,000. That's a combination of just spam and bad e-mails. That's a lot of e-mails that gets filtered out constantly. We did have six internal attempts on it. This could come in from software that we thought was okay or someone put it on through an e-mail. It got through the system and we have different levels of layers that protect the system and caught it. It's a continuous cat-and-mouse situation and it definitely is not getting better. As you can see on the picture there the dots. Those are just examples of places where they try to hack in. This happens on a daily, minute-by-minute, after hours, continuously while we're sleeping, while we're on vacation....it's doesn't matter they are constantly trying to hit us. We try to stay up with it and protect the system.

Some of the summary here as we stated, are the fraudulent payments, they're counterfeit. The next one here we had 7 fraudulent unemployment claims. That's a little startling for the employee that is currently working here. We get a call from HR asking if they filed and what have you and indicate that yes, you've done it. I was a victim about two years ago where I had another employer call me and said by the way, you haven't been an employee here for ten years, but we got the filing for you.

Fraudulent employee checking account change requests. This happens quiet often especially at the department level, director's level and for whatever reason John Tompeck continues to refuse my denial of having him take his check and deposit it in my account. I will have to try with Mr. Cisneros and see if I can get him to do it for me. We have six fraudulent vendor requests for accounts payable and the two bottom ones there are interesting. Bank check fraud, positive

paycheck match on this one. This last one we had was roughly 7 years ago. This seemed to be during the holiday time frame. Like in this case that occurred in November. It was an old check altered for approximately $9,000. Because we have an agreement with the bank, for a positive pay agreement, we have to send them a list of checks that we're going to send out or agree to pay ahead of time so the checks don't clear through. This is a good protection system on our side and if it's a question that comes up and comes back to us as a manual override, in this case we said no that's not ours. It got sent back to the bank that sent it in for payments.

The last one is also an interesting one known customer fraud for 2021. This is the first time this occurred that I know of. This occurred when someone sent a payment in for their utilities and at some point the check got captured and was tried to be used two other times for roughly $14,000 each time. In this case, it had nothing to do with FPUA. The returning of the check or the processing at the different bank(s) or in between someone grabbed the check and tried to use it again.

FPUA will not call to collect payments. We do send out alerts that remind people that your bill is due. But at that point, the recording suggests that they please call to make arrangements or pay the bill by coming into the 206 through the drive-thru kiosk, walk up kiosk, main drive-thru window at 206 S. 6th Street or the drop box. We do have Seacoast Bank, this is the Fort Pierce location only that will accept payments. Dixon cash checking down south and Beverage cash checking will also do it. That's an approved third party that we use. Another one that's coming shortly and is a little bit more popular is Pay Near Me which allows it to be paid at CVS, 7-Eleven, Family Dollar and Wal-Mart. This allows them to pay anywhere in the country. In fact, I think we had one or two customers that paid in Canada through that service.

We do use a third party vendor for any payment, credit card processing as well as checks. This allows us to not maintain that credit card information. It's processed through them. It allows us to go through the payment card industry data security standards. We basically comply with that. We don't have that information and if someone is trying to hack in and get that information we don't have it, which is a good thing. Of course the third party does the bill presentment of it. Then we get the phone scams which are active all year long. If we see heavy use of it we try to do call outs. We do try to put it out on the web pages. I do want to say, there's scam website's out there. There's some billing sites that will basically try to get you to pay the bill and never send the money into us. There's some sites and some local businesses that will do it. We're not responsible for those situations including being sure the payment gets here on time. If you go to a third party and you pay it and they bring the money to pay us and they are late and that causes you to get cut or disconnected, then unfortunately that's not our responsibility. Again, that's not an approved site. They want to make sure that our invoice cloud bill presentment payment service are within two minutes or our IBR systems are within two minutes. The kiosk comes into the system within two minutes to show that it's been paid. We do bill inserts, social media outreach to inform the customers of any scams that may occur out there.

Most of our customers, when they do start seeing these scams, they call us and give us an alert this is occurring. Most customers know if they have any questions on their accounts or suspect identify theft to please call us and we will be glad to assist. The phone number 772-466-1600.

This is informational only and I will be glad to answer any questions.

Chairman Fee asked are there any questions of the Board?

Mr. Lammers said Mr. Chair? Yes, real quick. I haven't heard much about any ransomware attacks that have occurred. Are those still pretty prevalent?

Mr. Fryar said very credible and in fact the last one we had was in 2014 that hit us. We were able to catch it in time and restore the data. There was no cost. We get those all the time and I think back in August we did a presentation where Oldsmar got hit with ransomware.

Mr. Cisneros said yes, Oldsmar water plant, yes.

Mr. Fryar said it definitely is out there.

Mr. Cisneros said it was probably last year Mr. Fryar was pushing hard for a position dedicated to cybersecurity because all of the items that we discussed today are pretty important, but the one that constantly moves to the top as a moving target is cybersecurity. I want to say it was earlier this year that we identified and appointed a cybersecurity analyst, Mr. Pupard who is in the audience today. That's how important it is.

Mr. Fryar said again, it's cat-and-mouse. As soon as we fix one hole they find another one. Then we discover another one and we fix that one.

Mayor Hudson said Mr. Chairman. I serve on FMIT Board. We had a meeting this past weekend and cybersecurity was a big topic. It's almost becoming uninsurable, but I know that they have and I'm sure you're aware of it, they have a service to assess the security for their customers which we are. They will help in any way in terms of prevention, because as you know, that prevention is in training of people and -- people not doing stupid things not the technology. It was very impressive. They also have a special investigation unit that goes after fraud and have we ever had to use that as far as you know?

Mr. Fryar said we have not, but we have used places that come in to do an evaluation. In fact, we just had one done recently. We will be bringing something to the Board in about a month or two if not sooner that will help safeguard our SCADA systems. We did one earlier this year and we did the last one probably about four or five years prior to that. So we do that every once in a while just to see where we're at. Some of these we know where the weak points are. That's why we do e-mail tests constantly. We also try to get rid of old software. Software has to stay up-to-date

because there's pin holes in it. They have to give us an update to the software. Microsoft is well known to have a whole bunch of pin holes in there. We get alerts from Microsoft on a daily basis sometimes...about at least once a month where we just fix nothing but Microsoft.

Mayor Hudson said I want you to know, I encourage you to use that assessment tool if you feel like you need it. It's being offered by our own insurance carrier.

Chairman Fee said quick question. For the year 2021 has the UA suffered any losses as a direct result from any of these various scams or cyber intrusion?

Mr. Cisneros said if you can go back one slide or two slides Mr. Fryar you will see that we were successful at not having any incidents. We were able to prevent these incidents from occurring within our system.

Chairman Fee said that I understood.

Mr. Cisneros said we haven't had any other incidents.

Chairman Fee said other than these scams, how about cyber intrusion?

Mr. Fryar said we have not. I will use the counterfeit money as a good example. We're not out of the money. It's the customer that's out of the money. That has to be reported to the secret service and unfortunately we didn't give them the money. Basically, they are trying to give us the money and were not successful.

Chairman Fee asked any other questions? Thank you.

Mr. Cisneros said the next item is a request for the purchase of a 70 foot over-center insulated truck to be used for our in-house tree trimming crew. Currently, we have a tree trimming contractor that will continue to focus on our transmission feeder lines. This in-house crew will address customer lateral services which will improve our reliability numbers. Mr. Daniel Brolmann, lead lineman for our electric team will present this item.

Mr. Brolmann said thank you Mr. Cisneros, Chairman and Members of the Board. My name is Daniel Brolmann and I'm a linemen with T&D. I'm here to ask for your approval for a 70 foot over-center articulating aerial tree trimming device from Altec Energy Industries for the amount of $199,436 under the Sourcewell contract.

This purchased vehicle is a first step to having an in-house tree trimming crew. The addition of the two person crew, the truck and the equipment necessary for trimming was approved by the Board during the fiscal year '22 budget process.

This crew will be responsible for trimming lateral secondary's and problem areas. Currently FPUA handles more than 200+ calls a year due to these types of situations. Our current practice is to pull our contract crew off our main lines to handle these situations and this practice hasn't been very efficient and hinders our ability to keep the system reliable. We've considered hiring another contract crew, but the justification and cost isn't beneficial. Also, a side benefit would be we can use our in-house tree trimming crew to handle FPUA facilities. We wouldn't have to hire a contractor. If this is approved, we anticipate a truck being here in the first quarter of 2022 and then after its arrival we would be staffing the truck and starting the process of the tree trimming tickets.

At this time, I would like to request the Board's approval for the 70 foot aerial device from Altec Industries in the amount of $199,436. I would be happy to answer questions.

Chairman Fee asked any questions of the Board?

Mr. Lammers said Mr. Chair. Thanks Mr. Brolmann so with this added tree trimming crew do we anticipate any cost savings to the customer?

Mr. Brolmann said the outage would be reduced and the overall cost of FPUA will be less to have our own tree crew versus the contract crew.

Mr. Lammers said so it would probably cost us less money overall and have a better performing system.

Mr. Brolmann said correct.

Mrs. Bennett asked how much would we save?

Mr. Brolmann said that's a hard question. I don't know the statistics, but the estimated cost between our new crew would be between $150,000 and $200,000.

Mr. Cisneros said I believe the numbers are pretty neutral for the first year and as they increase in efficiencies they'll be able to reduce the number, but the number would not increase. It would not necessarily be cheaper, but it would be neutral and as they become more efficient and familiar with the system they would be able to do it more efficiently. There's an onboarding process, but I believe the number was pretty neutral if I remember correctly. Meaning it doesn't cost us anymore.

Mayor Hudson said Mr. Chairman. Didn't I understand too that this would really reduce outages? Our service and our performance will be much better with this particular truck.

Mr. Brolmann said I myself turn a lot of these tickets in.

Mr. Cisneros said we will have more control with our own in-house crew to pull them off and take care of an issue right away verses turning these tickets in at the end of the month if I'm not mistaken Mr. Brolmann and then they will address it the next month.

Mr. Brolmann said normally we try to keep them on our main lines and then spend a week doing these tickets. So they only get a week and a lot of times in that week they don't get caught up for that months tickets.

Mayor Hudson said and "they" are the outside contractors?

Mr. Brolmann said yes ma'am.

Mayor Hudson said yes, so this gives you more control and gives us better service for our customer.

Mr. Brolmann said they will have nothing but stuff that we turn in.

Mayor Hudson said well it sounds like a very sexy truck. It's a lot of adjectives. I'd be happy to move to approval.

A motion was made by Mayor Hudson, seconded by Mr. Lammers, and unanimously carried to approve POA No. 22-12: Approve the purchase for a 70 Foot Over-center Insulated Articulating Aerial Device Tree Trimming Truck with Altec Industries, Inc., from Altec Industries, Inc., of Birmingham, Alabama, in an amount not to exceed $199,436, under Sourcewell-NJPA Contract No. 012418-ALT

Mayor Hudson and Chairman Fee said thank you.

Mr. Cisneros said the next item is a request for the approval of my employment as the incoming Director of Utilities with an effective date of January 3rd, 2022. Mr. Koblegard and I were able to address the terms and conditions of the agreement presented before the Board today and I'm happy to answer any questions that you may have?

Chairman Fee asked any questions of the Board?

Mayor Hudson said Mr. Chairman, I had a conversation with Mr. Cisneros and he explained a lot of the contents and I have no questions.

Ms. Bennett said number 15 it says if the employee is permanently disabled or is otherwise unable to perform her.....

Chairman Fee said yes I noticed that typo as well.

Mr. Cisneros said one of the things I did is I took some verbiage from Nick Mimm's, Tonya Early's, and Mr. Tompeck's contracts and merged them together and that's one typo. We can address that and replace the sheet. It's not a signature page sheet so we can address that.

Chairman Fee asked any other comments or discussion? I think it's a well done agreement and I hope someone will make a motion to have it approved.

A motion was made by Mayor Hudson, seconded by Ms. Bennett, and unanimously carried to approve the Employment Agreement for Javier Cisneros as Director of Utilities.

Chairman Fee said not sure if you wanted the job, but you have it now.

Mayor Hudson said yes you can't back out.

Chairman Fee said any report from the Attorney?

Attorney Koblegard said nothing at this time.

Chairman Fee asked any comments from the Board? Any discussion?

Mr. Lammers said Mr. Chair I have a follow up with a couple of meetings that I had with City Commissioners pertaining to their desire to have the Treasure Coast Regional Planning Council involved in moving the wastewater plant off the island. I had an opportunity to speak with Commissioner Perona. From what I understand his goal is just to get as much help as possible. He knows that it's a big tall order that we have before us and they have experience. He looks at that as the good thing. With Commissioner Johnson, his main focus on getting the Regional Planning Council involved is helping with the communication to the community and that he thinks it's a really good idea to have a neutral party involved so that when they are presenting it to the community, there is not the perception that they have some agenda or motive like if one of us as a Board Member goes up and presents moving the plant. I thought that was reasonable. That made sense to me. I didn't get a chance to meet with Commissioner Jeremiah Johnson. We weren't able to get our schedules to coordinate. Those were the -- what I gather from the other two Commissioners.

Chairman Fee asked any other comments?

Mayor Hudson said as a follow up to that. Last night at the commission meeting there was a discussion that primarily came from Commissioner Jeremiah Johnson about annexation and how it's a growth tool for the city and he was trying to I think figure out how the FPUA strategically

annexed gets in it and offers services and then we get annexation agreements. I wasn't really clear exactly what -- where he was trying to go. But I would think that it might be good for us not in the next two months, but soon to have a presentation to our Board as well as the City Commission on the process. What happens and how we get our customer, how we get an annexation agreement, what happens to it, where it goes and I think Mr. Koblegard is the one that sends it over to the City, but it goes through some hands here, I don't even know how it happens and then when it gets to the City. I think it would be a good education process for us to know what the City has to do once it gets there.

I think after we learn the whole thing we'll realize why it's important for the City to get a whole territory and have the county approve a whole territory as opposed to doing it one at a time. That might be a good starting point for the Commission to understand what happens here and for this Board to understand what happens at the Commission and we can see why it's important and why it helps grow the city and it's mostly water now; right?

Mr. Cisneros said an annexation agreement is through water and wastewater connections. We'd be happy to make that presentation. I believe it was two or three years ago that Mr. Hutchinson presented an item similar to that. We can revisit that presentation and expand on that.

Mayor Hudson said that may have been at one of our long-range planning meetings or something. We need to have the City piece too. Just for the -- for us to understand what happens when it gets to the City. Whoever, it might be Jen Hofmeister she's Director of Planning she's the one that has to take the agreements there and then everything the city has to do before it gets annexed. It's a long tedious process for us. It may not be for the UA, but it is for the City. At some future time I think that would be beneficial if this Board thinks it would be beneficial.

Chairman Fee said I agree. I think that would be a good presentation to sit through.

Mayor Hudson said so far that's what we're depending on growth in the city.

Mr. Cisneros said absolutely. We can definitely do that.

Attorney Koblegard said I can tell you just briefly what I do. When I get a request from the UA or someone that wants water or sewer service. We then do the research and determine who should sign the annexation. Go back and check the deeds and make sure we're getting the right signature process. Sometimes the people that come to see us to sign an annexation agreement isn't the person that needs to sign the annexation. Anyway, once we do that we record it and we send -- we e-record it now. There's no written original. Then we pass that back to the utility authority to allow that annexation has been signed and then we can go ahead and hook them up and we send a copy of that to the City, to Linda Cox and she processes it. That's basically what we do.

Mayor Hudson said then what Linda Cox does is send it to planning and then there's a whole other process that you don't know what happens.

Attorney Koblegard said they come and see us. Usually we have it and do a turnaround time of 3-4 days and it's ready to go.

Mayor Hudson said I don't think that's the way it is in the city because there's a lot of legal requirements before you can annex.

Attorney Koblegard said my secretary should let me know how many we've done this year. I'm surprised she doesn't keep track of them because you can look that up. I know we've got to be doing 3-4 a week.

Mayor Hudson said most of our annexation agreements are for customers who have asked for service and so we don't go out and offer service to places unless it's one of our grant programs. Is that right?

Mr. Cisneros said yes, most of our system expansion annexation agreements have been through some kind of MSBU or some kind of water main project installation as part of the grant or some kind of growth plan we had for building the system. That's absolutely right. The majority of the annexation agreements come through FPUA. There are a small number that don't come through FPUA. For the most part they come through FPUA, I would say over 90%.

Mayor Hudson said I think this Board would benefit from the education and the City Commission would benefit from what happens here.

Mr. Cisneros said I am part of the distribution list that when the City annexation agreement for a piece of property is finalized I do get that. It could be six months, 12 months, and 2 years later so we do get those and I actually have seen those before. You're absolutely right there is an entire process after FPUA that's the City's process that can take some time.

Mayor Hudson said yeah right and I think it would benefit this Board to know that and it would benefit our Commission to know what happens here and how it happens.

Mr. Lammers said Mr. Chair...just related to annexation agreements, Mr. Koblegard is it not possible to digitize and automate more of this process? It's obviously very important to our community in growing the city and I've been exposed to some conversations in the past that it's also been some kind of vein and a thorn for some folks, can we digitize the whole process at all?

Attorney Koblegard said you have to ask my secretary. I'm not a computer person. I'm too old for that. They have to come in and sign at some point.

Mr. Lammers said so a digital signature won't be possible?

Chairman Fee said most likely not. Does an annexation agreement require a Notary? A lot of the stuff is hard-line investigative work where you have to turn to the public records and then they have to come in with an ID and show it. I know you can do some e-Notarizations now, but not many people have on the recipient end that technology to do it. The comment about Commissioner Perona and Commissioner Johnson I think they're rationale and seems reasonable to me. I think we should keep an open dialogue with all the Commissioners about how we want to move forward because this is going to be a big project that needs not only the Commissions help we're going to really need to continue and foster a relationship with the county going forward. I think those are really important. Any other comments?

Mr. Cisneros said Mr. Chairman we skipped over the Director's section.

Chairman Fee said oh I did skip over the Director's section.

Mr. Cisneros said if you don't mind.

Chairman Fee said nice to know that you're eager.

Mr. Cisneros said first of all I'd like to thank you for the vote of confidence and trust as the incoming DOU. I look forward to the challenges and more importantly I look forward to the opportunities to help FPUA and the City of Ft. Pierce grow. The transition with Mr. Tompeck has been very smooth and I'm very thankful for his leadership and mentorship. He also promised to heckle me from the crowd today so I'm glad he didn't keep his promise.

We are preparing a resolution for the next Board Meeting to recognize Mr. Tompeck for his 21 years of service to FPUA and our community especially the utility community.

Next a quick update on the bond refinances. Last week we completed the electric system review with our consultant Dewberry. Next week we will complete the gas system review so that will finalize the review of all of our utility systems. We're expecting the engineering certificate to be completed in late February, early March and that's the next critical step before we go to bond refinancing. We don't expect any issues with that at all.

Next I mentioned this earlier. There's no -- there doesn't seem to be a golden egg reason, but the gas futures have dropped and as of yesterday they're around $3.65 a dekatherm. As you may recall they were approaching the $6 mark. That's about a 30% decrease from a month ago. Also, the futures for the 2022 calendar year show prices in the $3.50 cents per dekatherm. Jacob Williams with FMPA believes that one contributing factor for the price drop is related to the near term future weather forecast to be more mild than expected which lessons the demand for gas and as you may recall a few months ago Mr. Tompeck discussed supply shortage and over the

last few months thankfully the supply has increased by 3 billion cubic feet more per day. That's good news and even though it's good news the gas future market is still volatile. We'll continue to closely monitor the situation. The next rate call is scheduled for next week, next Tuesday. At the next Board Meeting on the 21st we'll present a PCA adjustment as needed based on that rate call. Hopefully, we bring the Board some good news.

One of the things that was on the Consent item was the appointment of Barbara MiKa to the Retirement Board to replace myself. I have no doubt she will be a great addition to the Retirement Board. So congratulations to her appointment to this critical position for our retirement system.

The last thing Monday, January 17th is the MLK holiday and the City Commission typically moves their meeting day to the following day. So Tuesday, they will be moving their meeting to the 18th at 4:30 so our next Board Meeting will be 2:00pm on the 18th. Normally it would be at 4:00, we're moving it up to 2:00pm and I'm not sure if that's an issue for any of the Board Members. That's what we have tentative scheduled and that's all I have for today.

Chairman Fee said thank you. My apologies for skipping over.

Mayor Hudson said Mr. Chairman can I mention one more thing. I wanted to thank FPUA's staff for all their hard work for the parade. Because I know how much hard work that goes into it. That parade wouldn't happened without FPUA. I really appreciate that. It was a very successful parade and FPUA and Javy were the Grand Marshall's!

Mr. Cisneros said yes.

Mayor Hudson said so thank you.

Chairman Fee said will you make sure that we get an email reminding everybody that we're moving the meeting.

Mr. Cisneros said we will. Jill will send out an e-mail.

Ms. Sabota said I'll update the meeting invite as well so it will populate on your calendars.

Chairman Fee said perfect. Any other comments?

There being no further business, the meeting was adjourned at 5:10pm.

ATTEST:

SECRETARY

CHAIRMAN