MINUTES OF A REGULAR MEETING OF THE FORT PIERCE UTILITIES AUTHORITY, TUESDAY, JANUARY 18, 2022, 2:00 P.M., CITY COMMISSION CHAMBERS.

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

Others present: Javier Cisneros, Director of Utilities; Rupert N. Koblegard, III, FPUA Attorney, Barbara A. Mika, Director of Financial Services; Bo Hutchinson, Director of Water/Wastewater Systems; Daniel Retherford, 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, Manager of FPUAnet.

The Pledge of Allegiance was recited.

The roll was called and a quorum declared.

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

A motion was made by Mrs. Gibbons, seconded by Ms. Bennett, and unanimously carried to approve the Minutes of the Regular Meeting of December 21, 2021.

Mr. Cisneros said Mr. Chairman, if I may interrupt. We have a presentation by Barbara Mika for an award. A certificate of achievement for excellence in financing. If we could address that before we address the comments from the public.

Chairman Fee asked would you like to address that now?

Mr. Cisneros said if we can.

Chairman Fee said Ms. Mika.

Ms. Mika said thank you, Mr. Cisneros and Board Members. The Government Finance Officers Association recognizes governments that have gone beyond the minimum requirements of generally accepted accounting principles. FPUA's annual financial report has been judged by an impartial panel to meet high standards of the program, which include demonstrating the spirit of transparency and full disclosure which clearly communicates it financial results and motivates potential groups to read the report. The certificate of achievement is the highest form of

recognition in the area of government accounting and financial reporting. Attaining this award represents a significant accomplishment by government and its management.

I would like to acknowledge the accounting staff as well as management of FPUA for their efforts and contributions to the compilation of the document. FPUA is one of almost 300 Florida governmental agencies to receive a 2020 award for financial reporting. FPUA has received this award every year since 1995. This makes it our 26th consecutive year for this recognition. Heavy as it is, I brought the plaque.

Thank you.

Chairman Fee said congratulations and great work.

Chairman Fee asked are there any comments from the public if so please come up to the podium, state your name and you have three minutes to speak. It does not look like we're going to have any comments from the public so we will move forward with the Consent Agenda. Has everybody had a chance to review the items? Do we need to pull anything?

Mr. Lammers said Mr. Chair?

Chairman Fee said yes, sir.

Mr. Lammers said I am the engineer of record for the customer for item D-6. I think it's probably appropriate that we do a roll-call for items D-1 through D-5 and then give me an opportunity to abstain from voting on item D-6.

Chairman Fee: all right. Mr. Lammers has a conflict of interest with item D6. We'll pull that and add that to new business. Does that sound like a good place to go and make that number 6?

Mr. Cisneros said we can approve them separately, D1-D5 is one item and then D-6 is separate.

Chairman Fee said and we'll talk about D-6. Would anybody like to make a motion?

A motion was made by Mayor Hudson, seconded by Mrs. Gibbons, and unanimously carried to approve the Consent Agenda Items D-1 through D-5.

1. POA 22-15: Approve piggybacking the City of Fort Pierce Request for Proposal No. 2021-037 and the Engagement Letter with DiBartolomeo, McBee, Hartley, & Barnes, P.A., of Fort Pierce, Florida, to provide professional auditing services. The services will be for the years ended September 30, 2021 through 2023, in the amounts not to exceed $49,470, $49,470, and $51,000, for the years respectively, contingent upon receiving the required Certificate(s) of Insurance.

2. POA No. 22-23: Approve the purchase of Cell Phone Mobile Communications, MiFi Communications, AVL Communications and Equipment from Cellco Partnership dba Verizon Wireless, of Basking Ridge, New Jersey, under Florida State Contract DMS-19/20-006C, in the amount not-to-exceed $170,364 annually, through January 23, 2026, with five 1-year renewal options.

3. RFP No. 17-13: Approve Amendment No. 1 to the Contract for Banking Services with Seacoast Banking Corporation of Florida dba Seacoast National Bank, of Stuart, Florida to extend the Contract from January 31, 2021 to March 31, 2021, contingent on receiving the required Certificate(s) of Insurance.

4. Approve Post Budgeted Project/Budget Request in the amount of $77,000 for force main adjustments needed to facilitate the Florida Department of Transportation (FDOT) North 25th Street roadway project.

5. Confirm appointment of Daniel Retherford to the position of Director of Utility Support Services.

A motion was made by Mayor Hudson, seconded by Mrs. Gibbons, and unanimously carried to approve the Consent Agenda Item D-6.

6. Approve Post Budgeted Project/Budget Request for Pursuit Boats Phase II Project in the amount of $83,100.

Chairman Fee asked Mr. Cisneros does he have to get a form to sign regarding abstaining from the vote.

Attorney Koblegard said yes. We have a standard form here.

Mr. Cisneros said we can get him the form.

Ms. Sabota said I will email it to him.

Chairman Fee said all right. Moving onto letters of appreciation.

Ms. Sabota said we have five letters of appreciation:

1. We received a phone call from Mr. Ron Montoya who is with the State of Florida, Department of Management Services. He is the Facilities Manager for the Benton Building in Fort Pierce. He wanted to show his appreciation of FPUA, particularly Patrick Gillespie from Electric Operations. He appreciates our company and when he calls with an issue or problem it's taken care of. Thank you!

2. We received an email from Mr. Richard Breese thanking Melissa Bruno and Dean Mosely for getting his utilities connected so quickly. Mr. Breese just moved into his new location with FPUA.

3. We received a call from Ms. Pagano for Val Sirmons, Call Center Team Lead. She could not say enough great things about Val and how she helped her to remove herself from paperless billing on Invoice Cloud. Ms. Pagano said she wanted to commend Val and bring her a bouquet of roses! Ms. Pagano stated Val went over and above her pay grade to walk her through the process on our website and even called her back to follow up.

4. We received a compliment from Sharice Burgess for Ashley Levin. Ms. Levin did a wonderful job with the situation she was in and took care of everything in a timely manner. She really appreciates her, everything she did and the company. Ms. Levin did a great job!

5. We received a compliment from Angel Lejeune for Ashley Levin. She finished a call with Ashley and she was so helpful, she was amazing. She wanted to make sure you knew how good she is.

Chairman Fee said okay. That's probably the longest list of letters of appreciation I've seen. I'm very happy with the level of service that we're providing.

Chairman Fee said all right old business. Anything that needs to be discussed in old business? Does not look like we have. We'll move forward to new business.

Mr. Cisneros said thank you, Mr. Chairman. Good afternoon there's one thing -- I know we set the agenda, but I would like to see if we can add to new business as item G-5 and that is moving Contract 2 on page 3 as a new item for discussion. It's just under my signature authority, but we'd like to introduce you to the Vancore Group. I don't know if we have to reset the agenda again or just add it. Mr. Koblegard do we have to reset the agenda or add agenda item G-5?

Mr. Koblegard said I did not bring my hearing aid. I just forgot.

Mr. Cisneros asked can we add G-5 as a new item without re-setting the agenda?

Mr. Koblegard said yes.

Mr. Cisneros said okay. Thank you. So the first item this afternoon, Mr. Chairman, is a request for the purchase of a 48-foot truck with telescopic aerial device and material handling capabilities. This vehicle is part of a ten-year replacement program. Mr. Tony Gonzales, lead lineman, will present the item.

Mr. Gonzales said thank you, Mr. Chairman and Members of the Board. My names is Antonio Gonzales and I'm the lead line specialist for electric team B. I'm here to ask for the approval of a 48-foot bucket truck from Altec Industries of Birmingham, Alabama for the amount of $218,116 under the Sourcewell NJPA contract. The purchase is going to replace a 2007 material handling bucket truck with 125,000 miles on it and 5,800 hours of service. This vehicle is a replacement as part of our fiscal year '22 budget. I'll be happy to take questions if anybody has any.

Chairman Fee asked any questions from the Board?

Mayor Hudson said you said it's already approved?

Mr. Gonzales said correct it's part of the fiscal year '22 budget, yes, ma'am.

Mrs. Gibbons asked do you know how much we're able to get off the truck that you're not going to be using?

Mr. Gonzales said I don't have that answer, ma'am.

Mr. Cisneros said actually, Mr. Chairman, we are going to recycle the vehicle that we're replacing and it will be cycled to a different department. I think there is a two-year window before we get this truck. It's going to be a long lead time. That truck will hopefully get to the FPUAnet group or utilized in another division.

A motion was made by Mrs. Gibbons, seconded by Mayor Hudson, and unanimously carried to approve POA No. 22-12: Approve the purchase for a 48 Foot Insulated Articulating Telescopic Aerial Device with Material Handling Truck Model AT41M from Altec Industries, Inc., of Birmingham, Alabama, in an amount not to exceed $218,167, under Sourcewell-NJPA Contract No. 012418-ALT.

Mr. Cisneros said Mr. Chairman, the next item this afternoon is an update on the natural gas rate stabilization fund with a request to decrease the purchase of gas by .02 per ccf. Fred Gaddis, Gas Operations Supervisor, will present this item.

Mr. Gaddis said thank you, Mr. Cisneros, Mr. Chairman and Members of Board. I bring before you the natural gas rate stabilization fund update for November 2021. Staff has rerun the sensitivity analysis, which now includes October's actuals and preliminary data for November. Natural gas prices at Henry Hub have been trending down since the beginning of December. The prices have averaged $5.49 a dekatherm. Since the beginning of November continued warm temperatures and mild demand has kept storage withdrawals relatively small in 2021. The EIA report shows working gas inventories now stand at 3,505 BCF's, that's 9.2% below one year ago and 9.25% below the five-year average. The November curve reflects the increase in the PGA which was approved by the Board on October 19, 2021 from negative $0.03 a ccf to $0.20 a ccf. The price

of gas is down $1.70 since the beginning of November. It's predicted to climb above the operating range.

Based on the current status of the RSF, staff recommends a decrease to the purchase gas adjustment of $0.22 per ccf. From positive $20 to negative $0.02 per ccf effective February 1st, 2022. Although staff recommends the decrease to the PGA, the PGA can remain the same if the Board desires.

Thank you. Any questions?

Chairman Fee asked any questions from the Board? Looks like you're recommending us to roll back the cost by $0.22? That will bring it to negative $0.02.

Mayor Hudson asked what would be the advantage of keeping it where it is?

Mr. Gaddis said there is no advantage of keeping it where it is. Right now, we'll be at the maximum level. If we stay where we are, we are going to be above our threshold.

A motion was made by Mayor Hudson, seconded by Mrs. Gibbons, and unanimously carried to approve a decrease in the Purchased Gas Adjustment (PGA) $0.22 per ccf from $0.20 per ccf to -$0.02 per ccf, effective February 1, 2022.

Mr. Cisneros said Mr. Chairman the next item is an information presentation for the November 2021 bill comparison. Michele Harris, Finance Controller, will present the item.

Ms. Harris said thank you Mr. Cisneros, Chairman Fee and Board Members. I am presenting to you today the monthly update on the comparison of Florida municipal electric rates published by FMEA and the local Treasure Coast utility bills for November.

I believe Jill provided you updates prior to the meeting. Those updates were just reflections of changes that we received Friday afternoon from FMEA. The only changes were to the City of Ocala. It had an effect on all the charts that were in your Board packet.

The 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're displayed and ranked based upon their base bill amount. Our November rates at $116.84 shown with the yellow bar ranks FPUA with the fourth lowest in the group.

This graph displays the same comparison for the same level of consumption, but includes other municipal utilities in the state. Our November bill at $116.84 brings us right in the middle when compared to the other 31 municipalities.

The blue bar represents the December approved adjustments to the PCA. We don't have those numbers.

In November, FPUA increased the PCA $6.00 from -$6.00 to $0.00. Fifteen of the other 31 municipal utilities also implemented rate increases. The overall impact to these rate adjustments resulted in the increase of $2.94 to the ARP average and an increase of $3.36 to the municipal average.

This graph presents a similar comparison, but for the consumption of 2,500 kilowatt hours. FPUA's November bill at $294.80 ranks us in the middle among the group as well. Our rates at 1,000 kilowatt hours fall below all three averages, the ARP, municipal and IOU average. While our rates for 2500 kilowatt hours fall below ARP and IOU, but just cents above the municipal average.

The table displayed is a November comparison of the average residential utility bills on the Treasure Coast. FPUA's utility bill for all three services provided inside city 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. This includes FPUA's $6 increase to the PCA as well as the water and wastewater increases of 1.17%.

This has been presented for information only and I'll be glad to answer questions you may have.

Chairman Fee asked are there questions from the Board?

Mrs. Gibbons said I have a question. Is there any indication on the increases for the rest of the municipalities of the utilities?

Ms. Harris said we don't have an idea. We do know that FP&L implemented a rate increase for January. We'll start seeing that. We have an inkling on that. As far as other municipalities, we won't know for another three weeks what they did.

Mayor Hudson said I have a question. You said this reflects the $6 increase?

Ms. Harris said this is November bill. We went from negative $6 to zero. This is where the PCA's at zero.

Mayor Hudson asked so we won't know what the $18 increase is until the next report?

Ms. Harris said right. You'll be able to see where we are, but you're not going to see compared to the other municipalities until the next report.

Mayor Hudson said thank you.

Mr. Cisneros said you'll see that in March, February -- or March comparison?

Ms. Harris said we'll bring it in probably in about three weeks we'll have the data.

Chairman Fee asked any other questions? Thank you.

Mr. Cisneros said thank you, Michele. The next item is an update on power cost adjustment with a request to decrease the power cost adjustment recommended by staff for our customers. Barbara Mika, Director of Financial Services, will present this item.

Ms. Mika said Mr. Cisneros, Chairman Fee and Board Members, good afternoon. Thank you for the opportunity to provide you with the updated information on the status of the power cost adjustment for November along with the updated 12 month projections through November of next year.

FPUA's cost to purchase power is recovered, in part, through customer billings. Power cost recovered that are in excess of our base power cost are accumulated as an over recovery to our rate stabilization fund. In order to retain sufficient funds to pay for our power cost, we maintain a PCA reserve between $1 million and $4 million with excess funds going back to the customer when possible. The cost of power purchase from FMPA for the month of November was billed to FPUA at a rate of $90.24 for 1,000 kilowatt-hours. This was an increase of $0.39 when compared to October's billing from FMPA.

For the month of November, FPUA experienced an over recovery of power costs at $31,442. This slight change increases the over recovery, but maintains it at $1.2 million as of November 30th.

This chart tracks the cumulative monthly balance of PCA over recovery in relation to the approved power cost adjustment levels. We can see here the PCA levels going back two years with actuals to November of 2019, and projections forward for twelve months to November 2022. The amount of the power cost adjustment is represented by the dark blue line that runs along the bottom and juts up here. Which, for the month of November, was zero as Michele mentioned for 1,000 kilowatt-hours. The bars on the top of the graph represent the level of the over recovery. The blue bars are the actual amounts of monthly balances. FPUA has maintained a PCA level over the $1 million mark for the past two years.

The orange bars show what the projection of the over recovery would be if the forecasted numbers being presented today are correct. The current forecast, with the recommended adjustments to the PCA through the end of the year, will keep our reserves within the rate stabilization range. These projections have been prepared by Raftelis Financial Consultants and are based upon the data forecast that has been prepared by FMPA. Since October's forecast, FMPA's estimate of the cost of purchase power for the upcoming 12 months has decreased 9.1%.

This graph presents a comparison of the updated projections trending the power cost recovery through November 2022. The decrease in the cost projections has, again, changed the comparison considerably since last presented. The gray line, which takes us all the way up here, maintains the last approved PCA of $18 in effect December 1st with no further changes, recouping our cash differences and surpassing that rate stabilization fund somewhere down here in May and taking off into the -- onto the top of the chart.

The green line follows the same path, but in May there's a one-time decrease in the PCA of $30 which would bring that to negative $12. Carrying that and bringing it forward and back into the rate stabilization fund to the end of the year. Keeping the PCA there through the summer months to October 1st with a $20 increase and bringing the PCA back to $8 not doing anything until we reach the $4 million mark.

The red line, the third scenario, is the recommended adjustment today. It takes a steadier path with the slower and more gradual PCA adjustments. The blue numbers along the bottom, I populated this as Mr. Cisneros thought it would be more explanatory, shows what the PCA level would be based on that red line. The PCA is now currently $18. What we're proposing is a $4 reduction, which makes the February PCA be $14 continuing through June and then carrying the negative $2 until October, where it would increase by $2 and bring it up to zero. That's what the added information is to make it more user-friendly. So the adjustments shown in red starting with the $4 decrease in February, continuing with potential adjustments through June is what is in the forecasted numbers.

This chart has been updated since last month. It represents -- it now includes November forecast. It lays out the month-over-month change in the projected average cost per megawatt hour. What this is saying here is the blue line was the August forecast. In August, they said the November rate was going to be $91. Actually, it comes in at $78.83. So these are the August forecasts for all the months going up to March. So for September, October and these are the November forecasts with November being an actual number. These are the forecasts we're working with here in this projection. It lays out where we've been, where we were in September was way up here and now where we are in November is way down here based upon the projections that we have been given. It puts a picture together.

Last month it was recommended by staff to make no change to the power cost. We were going to just watch how November and December rolled out with the updates. In light of the reduced projections we're seeing here for second month in a row, we are now suggesting to make a small change now as we continue to monitor the forecast and watch the situation as it continues and report monthly as we usually do to recommend changes when we need to. So staff is recommending a $4 decrease in the PCA if that's what you so choose.

Chairman Fee asked any questions of the Board?

Mrs. Gibbons said a few things. So in light of the weather lately, and it being so cool outside, I feel like in order to rebuild the amount that we normally have -- if we look at this year at this time, I think it was $5 million. If you want to pull it up real quick. Well, that was 2019-2020. Let's see, we were at almost 4. Then here we are at 2021 at 12, right. So I feel like we probably need to rebuild some of this a little bit. I would prefer to see us not make a change for another month or two, and then, decrease it a little more dramatically over the period of time. If we -- let's say instead of like 20 over five months, maybe we do 20 over four or three months, depending on

what we start to see in the market. I feel like right now is a good time to help rebuild this and get healthy and be able to give back to the community when it's hot out rather than doing negative two. For the last several years, we've been at I think a negative 12. That's just my two cents.

Chairman Fee said I agree. What number is the magic number that we feel comfortable -- management feels comfortable with having in the fund? Obviously go back historically, the high was $5 million. Is that where you would like to be? Do you like to be higher?

Mr. Cisneros said the number we like to be was determined by the Board in 2008-10 time frame. That number typically ranges between the 4 and 1 just because it changes drastically from month to month. Before we get to the summer we kind of stack up a little bit. It really is up to the discretion of the Board. Staying in the middle is where we'd like to be, but that is hard to navigate month to month.

Chairman Fee said as you could definitely tell in here, by the time we started raising it, looks like we dropped almost $1 million in a very short amount of time over 30 days. So I think we definitely need to recoup until we get at least to $5 million. Because it doesn't take long to bleed that fund down. How long would it take us to reach the $5 million range if we make no changes to the PCA?

Ms. Mika said I'm afraid to click on this as it's going to close my session. According to this chart that you can't see all of it right now the $5 million mark would put us at somewhere around into June. It brings us above the $4 million would be out to June.

Chairman Fee said which coincides with lowering it around that June time frame when things get hot.

Mrs. Gibbons said Mr. Chair, I don't know that we need to get all the way up to $5 million. I feel like right before we usually make the decrease, somewhere around 3. So I feel like -- I'm looking at November because that's what we have to work off of, right, so we have some kind of comparisons for most recent numbers. I don't know. Maybe somewhere in the 3 range might be more comfortable.

Mayor Hudson said Mr. Chair, I think that careful balance is what we should strive for, because we don't want the rate payers to think we're stockpiling money, right, unnecessarily. We also don't want to get down to too little money. I really would -- first of all, we're only going to do this a month at a time. That's what we normally do. We don't ever say the next three months we're going to do this. We say we might do this and it looks like we're going to do this, but we only vote for one month. I would be comfortable leaving it at where it is right now for another month and then, look at it each month. That's where I would be comfortable. I don't want to take -- I don't want to pile up money, but I also don't want to be on the lean side either. So...

Mr. Cisneros said that's a really good point. If we wait another month, the gas market, the gas futures are pretty -- they change quite drastically. Last Tuesday, I believe it was last Tuesday or Wednesday, it was $3.70 a dekatherm and now it's back up to $4.25 a dekatherm. That's in three business days. It ranges pretty quickly. So if you were not to change it today, we can definitely bring it back next month to see what kind of recommendation we could make. So either no change today or the 4 is what we talked about as well.

Chairman Fee asked Ms. Bennett do you have a comment?

Ms. Bennett said yes. I agree to leave it the same, because we don't want, as the Mayor said, we don't want to make it look like -- with the rate payers, we don't want them to think that we're banking money and then we don't want to be stuck in limbo when it's that time we have to make that adjustment again. It wouldn't look good. I think we should leave it the same and maybe wait a month or two and see what happens and then we come back and if we need to make that adjustment, make that adjustment.

Chairman Fee said I agree. Take it month by month. Just looking at how much we bled in the very short amount of time with the money coming out just by.... (unintelligible). Sitting at the $3 million range doesn't appear to be prudent. It probably has to be north of the $3 million range. Management has to give us guidance on it. You know more than I do, how much is going to go out if we have another prolonged period of price increases. Yes, reviewing it month to month, there's nothing wrong with that. It's the prudent thing to do. Hopefully, management will give us guidance on what amount we should have stockpiled in there. I know you don't like the word hoarding or stockpiling money. You got to remember we've got a fiduciary obligation to the entity first. We don't want to impose upon our rate payers...hike, lower, hike, lower we need to have something to ease them into it and if we go short on this money we're not going to be able to ease them into it. It's going to be like ripping off a band-aid real quick. Anybody care to make a motion?

Attorney Koblegard said if you go back in time prior to the November '19 date on your sheet, go back a number of years before that, it seems to me like the pivot point used to be around $3.5 million and that seemed to be what was kind of comfortable. I'm going back five, ten years or so. That's what we kind of always worked around.

Chairman Fee said it seems to be floating right around the $3 million, around that range. Of course, back in December of '19 up to the $4 million to $5 million. Obviously, we just let it drop down. There's obviously a feeling of what that number is. Just kind of give us an idea when we're getting that close that way we'll start making adjustments. Mr. Lammers, do you have anything to add?

Mr. Lammers said it seems like most of us are on the same page. I'm definitely a fan of waiting another month and reassessing after we get more information. I agree, especially in light of how

quickly as a company we reduced the rate stabilization fund just over a matter of a couple of months. I would like to see us hold off before we reduce the PCA. If the projections work out like the green line on the data says, I think that would be a good thing for our customers. But that means we need to wait one more month before we reduce the PCA.

Chairman Fee said anybody care to make a motion?

A motion was made by Mrs. Gibbons, seconded by Ms. Bennett, and unanimously carried to leave the Power Cost Adjustment (PCA) as it is currently at a positive $18 per 1,000 kWh.

Mayor Hudson said I have a question. Does that mean that will be as of right now three months at a positive $18, is that correct?

Mr. Cisneros said this shows it, yes, December, January, and February.

Mayor Hudson said that's what we just decided, right?

Mr. Cisneros said December, January, and February, that's right.

Mayor Hudson said nothing beyond that?

Mr. Cisneros said no, ma'am. This continues that theory that we are able to reduce it during the summer when there's less people here and they're consuming more energy. We're trying to meet that goal the vision the Board has had for many years, the Cavalcanti Theory as we like to call it.

Mrs. Gibbons said Glynda's spirit.

Mayor Hudson said she lives on!

Mr. Cisneros said Mr. Chairman the next item is a new item we added earlier this evening. It is an approval of a contract for strategic communications services with Vancore Communications, LLC of Tallahassee. Mr. Bo Hutchinson and Mr. Vancore will present this item.

Mr. Hutchinson said thank you, Mr. Cisneros. Good afternoon, Mr. Chairman, Members of the Board. I think we're all in agreement that public support for the IWRF relocation is essential to its success. To this end, staff brings you today the first phase of our public outreach program. This phase includes a customer survey that will help us gauge our community's knowledge about the benefits of the IWRF relocation. We'll then use the information to create a targeted outreach program. It's been said many times when you want to win the game you stack your team. Therefore, I would like to introduce Mr. Steve Vancore, the President of VancoreJones Communications out of Tallahassee. I am going to tell you a little bit about him, and try to embarrass him a little bit if I possibly can. So Steve has been conducting public relations and strategic communications campaigns in Florida for well over 30 years. He has over 30 years of

experience in conducting research in voter behavior and conducting polls. He's worked extensively in St. Lucie County on political and referendum campaigns since 2008. He led the team to pass our children counsel initiative and the half cent sales tax, which we've been seeing the benefits of. Most recently, he led the Port St. Lucie tax abatement campaign and he currently serves as counsel on the upward mobility initiative in St. Lucie County. Mr. Vancore, I would turn it over to you. If you would like to tell us about the scope a little bit and some of the customer survey that's upcoming.

Mr. Vancore said thank you Board and Mayor. Our objective is relatively simple. Our belief is before we begin embarking upon a project this large and important, we don't want to start and then make a big mistake. Before we wanted to get started we thought it was important to poll the public and see what they think of the idea. This will serve as a road map for us in terms of understanding public opinion about things they like or dislike about it, what their fears, attitudes are about the project. That will provide us a guide way, a map as it were, to moving forward. Both in terms of best messaging, target demographics that might need further support on messaging to help them understand the good project we're embarking upon for the right reasons and it will also inform us as to which media to use with not just the messages to use, but which media to use. As we know in the new world we occupy, different demographic groups use media differently.

We'll take the poll and get a good understanding of public opinion, their attitude. How do they feel about the city, the project? What messages they respond to and what they want to see us talk about. Then, that will help us figure out a budget and a plan both in terms of what the message is and what media we would use to deploy that message. It's kind of simple because we've done this so many times with so many different projects. That's usually the approach we take. We pitched it to Bo. He liked the approach. It was scientific and well founded and its given us a good track record.

With that I'll be happy to answer questions or comments you might have about how we should proceed.

Chairman Fee said any questions?

Mrs. Gibbons said how do you plan on doing the poll? Is it going to be in-person, email, and phone call?

Mr. Vancore said it's really good question. That's a challenging thing these days because people are harder and harder to reach. We believe strongly in live operator phone calls. We will probably call 75% and speak with them on their cell phones. When that falls off, we start texting people and asking them to take the poll. What is important doing this, is we do it scientifically that we're selecting them. They're not selecting us. We can get a poll that is both random, meaning we randomly select people from the community so it's not skewed one way or the other, and its

representative that people of all makes and models are -- look like our customer base. Okay. So we'll make sure it's geographically distributed, by gender, homeownership and things like that, so it looks just like them. So we can take that data and feel confident that it's a good representative sample of the community.

Mrs. Gibbons said that's great.

Mr. Vancore said it's a real challenge these days. It's very different than it was just 20 years ago.

Chairman Fee said any other questions or comments?

Mayor Hudson said I have a question. So I have a preconceived idea of what you're going to find out.

Mr. Vancore said don't we all. That's the danger, right?

Mayor Hudson said so I think most people don't give the wastewater treatment plant, its location, any thought at all. I think as part of it, you're the expert and you're probably going to do this anyway. We ought to find out what message sells that says this is why it's important. Because they're going to end up paying for it a little bit at a time.

Mr. Vancore said both are exactly correct. What I fear in something like this, what we call is a low saliency issue. Today, the average citizen in Fort Pierce isn't thinking about the wastewater treatment plant. They've seen it a hundred times, but they don't really think about it every day. That's both a really good opportunity right, its virgin territory to message and to expose all the good things. It's also a bad thing, you know clear water, one little drop of red food dye will pollute the whole thing. One message, one social media campaign, one person who's opposed to this could change public opinion very quickly. By us getting out front and understanding what the best message is, to your point, is really important. By doing a sample poll, it gives us an idea what will sell. For example, I believe most of what I think they're going to like, public spaces, access to water, public accoutrements. They don't want to see it turned into a high rise condo development for a variety of reasons, but I'm just guessing as we all are as to what they would or wouldn't want there. So that's exactly why we would test it in that way.

Mayor Hudson said right. I think that also what they think about FPUA is going to be a part of the survey, so are you going to identify it as a Fort Pierce Utilities Authority project?

Mr. Vancore said that's an excellent question. So one of the things we do, you know when you go to a doctor and the first thing they do is look at you and put a cuff on your arm and put the thing under your tongue that detects your temperature, basic vitals, we'll test the basic vitals as to how they feel about FPUA as a way to help us to understand tone and tenor. If they're positive about the city of Fort Pierce and the direction things are going, we'll most likely run a positive to protect your quality of life campaign and improve things. If they're mad or angry at you and the FPUA over something, rates are too high, water flowing in the streets, overflowing, whatever

those things are, we'll say let's run a change campaign. This is going to change things for the better. Does that make sense? Absolutely. That's my first thing we test. Before we start getting into any messaging, how do you feel about city of Fort Pierce? How do you feel about your utility authority and gauge those. Because of our extensive experience, we'll be able to compare those things. We just came out of the field in the city of Maitland. Like 78% felt really good about the city of Maitland. They wanted to build a big brand new library and the city wanted to pole test that and I was like I haven't seen those kind of numbers in a very long time given the atmosphere in our country right now. So sometimes you get really strong positives, sometimes you get middle and sometimes strong negatives.

Mayor Hudson said I just -- the environmental advantages and economic advantages right now is not on anybody's mind except the people who are really involved in it.

Mr. Vancore said that's right and there's a cost to that. Are they willing to pay that cost? If they're economically stressed, and we know the economy right now is -- has oddities going on. If they're like it's going to cost me $4 a month, I don't care. Because of what you said right. It's sitting there, it's happy all by itself, it's working. Why mess with it, if it ain't broke, don't break it. We know in the long run in the long term it's not tenable. I think your engineers have said this needs to move both for environmental reasons and other reasons we need to expand. So there are good reasons. That's exactly where we need to be testing to see which ones. What are their fears, concerns and how do we best address those. You're doing -- my opinion is you're doing this for all the good reasons for the community in the long-term, but the average citizen is looking at paying a monthly bill --

Mayor Hudson said there isn't a ground swell from the people.

Mr. Vancore said that's exactly right.

Chairman Fee said any other comments?

Mrs. Gibbons said I can't wait to see the results. I think it's going to tell us a lot. I think the city could use some of the information that you're going to be asking. So I think it's great.

Mayor Hudson said maybe it will tell us a lot more than we expect and maybe that we like.

Chairman Fee said Mr. Lammers is there anything you would like to add?

Mr. Lammers said yes Mr. Vancore you mentioned that live, in-person phone calls is the main method you use to conduct surveys. You also mentioned it's getting increasingly more difficult to get ahold of people to get results for these types of surveys. In the past, are there any particularly useful and creative methods that you've used to ensure that you get that representative statistical base that we're looking for?

Mr. Vancore said do we have a couple of hours? Yes, we do. But what we have found the tried and true, you know, going back to my masters in this area is live operator calls are still the gold standard. They're more difficult. What we do is we sift through the data on a front end to make sure we use data files that have really good numbers and accurate numbers. It costs a little more and we don't do what other people do, which is spam calls and automatic robo calls. We find those people are more likely not to respond and they're more likely to burn out the list. We're more likely to get people to what is called avataring. They'll say they're somebody else other than who they are. We use only a validated, verified phone list and we use the top phone calling center in Florida. We're very particular. We don't want people, sorry I was born in Brooklyn, with Brooklyn accents calling here. I know in St. Lucie it's probably more popular. We're members of the American Association of Public Opinion Research. Which is a bunch of PhD's and we're constantly reading and trying to make sure we're adhering to the gold standard. At the end of the day, what this means is we have to do much greater modelling on the tail end to make sure we pick usually four or five variables, gender, geography, usually party registration is a good proxy, income, and that usually makes sure our -- and ethnicity, that our model, our sample looks like the population.

Ms. Bennett asked is there something that you could give us more like an advertisement speech that we can broadcast so that they will be more apt to answer the survey. Because, you know, with our faces in the community and we encourage them to answer the survey, you probably will get a better turnout?

Mr. Vancore said you could. However.....that's exactly what I don't want to do. Remember I said I want it to be....the first answer I gave was be representative. I want to make sure it's random. Let me give you a reason why. Because if we promote this to people and we advertise it to people, we encourage them, let's just say there's five of you and you do a great job of advertising it. Maybe your people will be more likely to respond. Now, you skew my representativeness. Does that make sense? If you're selling insurance, you don't want to say everybody gets, no matter how sick you are, you're going get a skewed response. Guess who is going to want to buy your insurance product? Really sick people. It's the same way in survey research. You don't want to engage in those tactics otherwise you get skewed responses. Sometimes it's skewed on things you can't measure. I don't know what that can be. Where they live, attitude or behavior. If they're followers of FPUA on their social media or the city, and so they already like you, right, that's not a variable I can measure, because that's an attitude. If the city does hey we'll do an e-blast and tell everybody please link here and take the survey and FPUA does the same thing, we're going to get a skewed sample of people who like FPUA. That's not what I want. I want to get a random sample of the population.

That's the temptation we always want, right, to satisfy that, but we end up changing the outcome. We don't want to do that. If it's bad news, we want it right. We want to go to the doctor and not

say to the doctor just look at my good vitals. Look at everything so you can give me a good treatment. That's what we'll do.

Chairman Fee said one last question. How long will this last, the polling?

Mr. Vancore said so we have a joke in our office, which is you will be the hold-up we won't be. We'll draft an instrument. Once we get approval, we will have an instrument in Bo's hands within three to five days. Once we begin fielding it, we'll lock in to get call time and that usually takes anywhere from one to three weeks. Depending on, you know, now as we enter political continue, these phone banks get filled up. Once we get in the field, it will be three up to four nights of calling. I'll have top lines the next day, because like you said, I can't wait to get the results. I'm pretty sure Bo is going to be texting me every morning saying what do they look like? We'll satisfy with a quick set of top lines on the fifth day. Just to say here's the basics and then I'll do a deep dive with my staff on what the data is really telling us and what the story is underneath. From that, most importantly, what's the game plan and what are the recommendations?

Chairman Fee asked any other questions? Thank You.

Mr. Hutchinson said so I have to ask for approval. Staff recommends approval of the contract for strategic communication services with VancoreJones in a not exceed amount of $49,500 for this first phase.

Attorney Koblegard said Bo do we have a contract to review?

Mr. Hutchinson said yes, it's a shortened version of the first one you looked at, Mr. Koblegard. You did look at it originally. I don't know if you've seen the second go-around. I'll make sure you get a copy of it. All that we basically did was pull the first couple items out of it and we're going to leave all of the other items that you reviewed originally for the next go-around when we're able to tune it up a little more.

Attorney Koblegard said okay.

Chairman Fee asked do I have a motion?

A motion was made by Mrs. Gibbons, seconded by Ms. Bennett, and unanimously carried to approve POA No. 22-99: Contract for strategic communication services with VancoreJones Communications, LLC of Tallahassee, FL in an amount not to exceed $49,500. The term of this contract will be upon execution and end on the final completion of the work and acceptance by FPUA, contingent on receiving the required Certificate of Insurance.

Mr. Cisneros said the next two items are both related items. Barbara Mika will present them. They're related to updating our banking signatures for both Seacoast and PNC Bank. Barbara, as I mentioned, will present the items.

Ms. Mika said thank you. This is pretty much like a housekeeping item. Since Mr. Tompeck has left Fort Pierce Utilities we need to update the master resolutions at all of our banking institutions. I have two of them here for you today. One is Seacoast. Seacoast is our operating account. The other accounts are for the operating refund and MOAC and we have an overnight investment account and then we have PNC, which is our money market account. Which we need to update the signatures for the Director of Utilities and back it up with alternate signers.

I have two other resolutions that I'll bring at a later date, paperwork with the banks takes time to get through and in order. I have these two today for these two accounts, updating signature authority.

Chairman Fee said the first one we have is 2022-01, which is updating the signatures for Seacoast.

Attorney Koblegard said there's no real caption to read. Just announcing it like you did I think is sufficient, unless I missed something.

Ms. Mika said I'm sorry I didn't catch that.

Chairman Fee said we have one question.

Mrs. Gibbons said on this is it usually all the directors that are approved signers? How does that work?

Ms. Mika said we usually have three. I put in a fourth one this go-around. It only takes two signers on each account. There's an alternative. There's backups for it.

Mr. Cisneros said eventually we will ideally have all the directors there because if there's changes for whatever reason, at least we have a minimum number of director signatures that are required.

Ms. Mika said it was easy enough because Javy was already a signer on Seacoast, but not as a check signer. We need to update the signatures on the checks. They wanted everything all new.

Chairman Fee asked Mr. Koblegard do you suggest us reading out the title of the resolution?

Attorney Koblegard said I believe that would be sufficient.

Chairman Fee said read the title.

Ms. Sabota read Resolution 2022-01, a resolution updating banking signatures for Seacoast Bank including the Seacoast Bank corporate resolution update and master signature card for Seacoast National Bank of Stuart, Florida. The signature updates reflect the change in the Director of Utilities and revise the signatures of alternate signers on all accounts.

A motion was made by Mayor Hudson, seconded by Mrs. Gibbons, and unanimously carried to Adopt Resolution 2022-01, a resolution updating banking signatures for Seacoast National Bank of Stuart, Florida.

Ms. Sabota read Resolution 2022-02, a resolution updating banking signatures for PNC Bank including the PNC Bank master resolution update and master signature card for PNC Bank money market account. This resolution reflects the change in the Director of Utilities and revises signatures of alternate signers on the account.

A motion was made by Mrs. Gibbons, seconded by Ms. Bennett, and unanimously carried to Adopt Resolution 2022-02, a resolution updating banking signatures for PNC Bank Money Market Account.

Mr. Cisneros said thank you, Mr. Chairman. I have a couple of things today. The first thing is now, this upcoming year, the first three or four months of the year, there are quite a bit of events that we are going to go back to in-person training. Some events are like the APPA American Public Power Association, Florida Municipal Electric Association and the Florida Water Environment Association are going back to in-person. I'll send a list of events to the Board members so that if you're able to attend, you go in-person. These events are really good. They have sessions specifically for public officers. We haven't done this in at least two years, but maybe even longer. So it's a good opportunity to learn about the -- some of the legislative and technical stuff, high-level technical stuff at these events. We used to do this quite a bit, ten, eight years ago. Where different Board members would go to different events every other year. One year you would go to electric and the next year you would go to a water event. I'll send that list to the Board members and it will likely be at the end of the week. I'll give you a list of calendar events for the entire year. So that will be very good.

The second thing is the big event that we have coming up is the Florida linemen competition which will be February 25th and 26th. At the next Board Meeting, Mr. Jakubczak will give you an update on the events and what is happening there. That's important and we're going to try to market that heavily. That's going to be a big event for Fort Pierce and it's the first time it's happened in Fort Pierce. So we're really excited about that. All of the municipal utilities come with typically their apprentice's and they compete for the top spot. It's pretty exciting. It will be over by the Fenn Center, the rotary park area. It's a family-fun event and it's Friday, Saturday, and Sunday. You'll hear more about that at the next Board Meeting.

On consent item agenda D-5, I would like to thank the Board for the confirmation of Mr. Daniel Retherford as the Director of Utility Support Services. He's been a great addition to the team and I look forward to working with him. I'm sure the staff and the Board does as well. He comes to

us with quite a bit of public and private sector experience, specifically with utilities and government work. So he's a great addition to the team as I mentioned.

The WRF design continues to move along at a very good pace. Mr. Hutchinson is doing a fantastic job managing the design engineer. So we'll likely give you an update at the next Board Meeting where we're at with the design. So the Board can stay up to date with the most current information.

So at the next Board Meeting I'd like to bring an update to the Board. It might be an agenda item. I'm not sure about the timing. It will be related to our debt restructuring and you'll learn more about that. I'll make sure to give you a little bit of a debriefing before the next Board Meeting and before the agenda is finalized so that you know what we're doing there. It's pretty important because we're looking at an opportunity to potentially add the WRF costs into the bond refinancing. We're trying really hard to see if we can make that happen. That will be important for us to move forward with relocating the wastewater plant.

Tonight, we approved the contract with Vancore. There will be collaborative efforts to make sure we can market that well.

FPUA participated in the MLK parade yesterday. It was one truck, myself, Mr. Retherford and Maurice Bacon. I would like to thank Maurice he was our driver yesterday. We look to have a bigger presence in the parade in the future years. We'll make sure we have more trucks there. It was a great event. Lots of people there yesterday.

The last thing here, we'll start looking at our schedule to see if we can meet with both the Board Members and City Commission to talk about the wastewater plant relocation and the potential rate increases that are associated with that. It's important for the Board and the City Commissioners to understand what that really means and the big picture. Especially since we have to make some tough decisions in the next three to four months as we go to debt refinancing. That's all I have for the Board today. Thank you.

Chairman Fee said Attorney Report.

Attorney Koblegard said nothing really. I wanted to say again on Item 5, although it wasn't on the agenda and technically matters that are going to be voted on should be, it's not a matter of controversy. It's an explanation of what that should be. So I don't see the issue really with the fact that it wasn't designated on the agenda.

Chairman Fee said thank you, sir. Any comments from the Board Members?

Mayor Hudson said I have a couple. Javy the July meeting of the FMEA.....that is the one I remember that the Board Members always attended. That's been a long time for me.

Mr. Cisneros said July 12th through the 14th the FMEA-FPMA Annual Conference. It's probably the one that I would recommend as many of the Board Members to participate because that's pretty important. It's a public power conference and luckily it will be in West Palm at The Breakers this year. It will be close to home. That's a really important one, July 12th – 14th. We'll make sure that you get a schedule that reflects that.

Mayor Hudson said of all of the ones, that's the one that's most important I think for the Board. It's based in Florida and it's with other companies that are in our consortium so you learn a lot from other people.

Mr. Cisneros said a lot of elected officials and public officers like yourself that you can talk to. They deal with the same thing we do.

Ms. Bennet said could you say the name of that again, please.

Mr. Cisneros said yes. It's the FMEA, Florida Municipal Electric Association and FMPA joint annual conference. We'll make sure you get you a schedule that identifies that event specifically and we'll be more than happy to register for you for the event once the registration opens up. Jill will take care of that for you.

Mayor Hudson said and further, Mr. Chairman. On the parade, weren't you grand marshals in the sights and sound parade? I appreciate that participation. Also, Mr. Cisneros and I have been talking about a bill in the legislature that is advocating that utilities don't transfer revenue to cities any longer. I don't know any more details of that, but he is aware of it and our lobbyist in Tallahassee, the Florida League of Cities is working on it because, of course, this affects a lot of the cities and it affects our budget. So it's really important to find out why this person is advocating this and so the league is going to be working. I'll sure FMEA is going to be working on it too. Isn't that the lobby in honor of FMPA?

Mr. Cisneros said yes, ma'am. On Thursday, I will be attending the FMPA monthly Board of Directors Meeting. We'll likely talk about it at that Board Meeting. So I'll be able to give you more details at the next Board Meeting. I can share that information about where that is going before the next Board Meeting.

Mayor Hudson said that would be great. If you want the Board Members to advocate with legislators or anything, I would like to do that and I'd like the rest of us to do it, too. That's important to the city. Jodi Finkly, with FMPA, is very involved and he takes care of electric municipal utilities and he usually keeps us well informed. I can make sure whatever he shares with us, I can share with the Board. It's pretty important, it really is.

Chairman Fee asked any other comments from the Board?

Mrs. Gibbons said I have a question. We at one time had spoken about having the strategic planning.....

Mr. Cisneros said yes, ma'am. Thank you. I forgot to mention that. Last week, FPUA, myself and Mr. Retherford, attended the city of Fort Pierce strategic planning session. We really enjoyed being involved. As far as FPUA's strategic planning session, I want to meet with the directors and discuss what we'd like to do there. I'm thinking that the best way to tackle this is do something in October. I realize that's after budget season. Also, what we end up doing with strategic planning when we do it around budget season is we end up doing a lot of budgeting. I'm hoping we can take a step back and look at more at a high-level strategic planning session with the Board members and staff. We'll look at the schedule, but October seems to be a good open month as far as events and availability.

Chairman Fee asked is there anything else? Okay.

There being no further business, the meeting was adjourned at 3:07pm.

ATTEST:

SECRETARY

CHAIRMAN