MINUTES OF A REGULAR MEETING OF THE FORT PIERCE UTILITIES AUTHORITY, TUESDAY, APRIL 5, 2022, 4:00 P.M., CITY COMMISSION CHAMBERS.

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

Others present: Javier Cisneros, Director of Utilities; Rupert N. Koblegard, III, FPUA Attorney, Michele Harris, Controller; Craig Crawford, Acting Director of Electric & Gas Systems; Daniel Retherford, Director of Utility Support Services.

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

Opening Prayer was by Shay Johnson of ITS Manager, City of Fort Pierce.

The Pledge of Allegiance was recited.

The roll was called and a quorum declared.

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

A motion was made by Mayor Hudson, seconded by Ms. Bennett, and unanimously carried to approve the Minutes of the Regular Meeting of March 15, 2022.

Chairman Fee said are there any comments from the public if so please step up to the podium. Please give your name and address and you have three minutes to speak. Doesn't look like we have any comments so we will move on to the consent agenda.

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

1. Bid No. 17-41A: i)Approve Amendment No. 1 to the HVAC Parts, Repairs and Replacements with Seacoast Air Conditioning and Sheet Metal, Inc. of Fort Pierce, FL ii) Approve Amendment No. 2 to HVAC Parts, Repairs and Replacements with Custom Air Systems Inc. of Port Saint Lucie, FL iii) Approve Amendment No. 3 to HVAC Parts, Repairs and Replacements with Thermal Concepts, Inc. of Davie, FL to allow for two additional one-year renewal options, contingent upon receipt of the required Certificate of Insurance.

Chairman Fee said now we have a new item Recognition of Excellence which now replaces letters of appreciation.

Mr. Cisneros said thank you Mr. Chairman. The first item this afternoon is a slight change to the agenda outline as you mentioned. Section E was previously referred to as Letters of Appreciation, but I have changed it to Recognition of Excellence with the intention to properly recognize the hard work of staff through letters of appreciation, and other accomplishments such as the next three items. The first item is an update on the results of the 2002 AWWA (American Water Works Association) Florida Region 8 Best Tasting Drinking Water contest. Mr. Keith Stephens, Superintendent of the water plant will present this item.

Mr. Stephens said thank you Mr. Cisneros, Mr. Chairman and Board Members. On Wednesday, March 16 FPUA had the opportunity to participate in the AWWA Region 8 best tasting drinking water contest. There were 6 utilities invited. Not all our utilities were invited because you can't have any violations from the previous year to be invited. The volunteer judges come from a cross section of the community in the different areas and I believe Madam Mayor you've been a judge.

Mayor Hudson said yes.

Mr. Stephens said and we didn't win that year.

Mayor Hudson said nope.

Mr. Stephens said what they look at is color, clarity, taste and odor of the water and all the samples come out on a nice cart. We eat lunch and we watch the judges go through the process to decide the best tasting water. Traditionally, water utilities have been considered the silent industry and the reason is when you turn on your water you expect it to be safe to drink and you expect it to be there all the time. Hurricanes happen and your water doesn't go out. It's not like electric. They get all the glory, but they also get all the grief when the power is out. But water you want that there all the time every time.

Water utilities all over the world perform technical miracles every day in providing safe drinking water and maintaining the public's trust and confidence. This year we actually have an interesting story. When we went to the water tasting contest we were there and they did all of it and said there's a tie and I looked at Mr. Cisneros and I said we're done and I didn't have -- I didn't think we had done that well. So then they had a taste off of the two that got the tie. That's what it was it was a taste off! They went through it, but after all was said and done we got runner up. We came in second, but I like to think of it as we were tied for first. On behalf of FPUA and the water resource department I'm proud to present the board with the 2022 Region 8 runner up award.

Mayor Hudson said terrific.

Mr. Cisneros said thank you Keith.

Chairman Fee said I got a question for you. Don't go so fast. Who certifies where the water comes from? Like for instance, how do I know you didn't go and use a Dasani bottle and put it in a cup.

Mr. Cisneros said it would definitely fail for sure.

Mr. Stephens said they actually would fail. Most bottled waters don't meet the standards. The water has to be there by a certain time. So they're all going out at the same temperature. Because a colder water may taste better to the pallet if somebody brought in a colder water. Up to that point, obviously they do testing. They can test OPH, chlorine and when you do tests like that of normal potable drinking water, bottled water doesn't have the same water parameters, or meet those water parameters to be able to use it.

Chairman Fee said interesting. So the taste off was really suspenseful.

Mr. Cisneros said it was.

Mr. Stephens said for me, because I didn't think we were there cause I you know, like I said we're a blended plant which really makes our water, as far as I'm concerned, a better water quality for everybody because we have lime, softener and reverse osmosis. The lime softener is what gives Ft. Pierce its unique taste to the water and a lot of RO plants they're straight forward just straight RO. They really don't have to do anything. It's really an art when you have to blend the water to put out a good drinking water and safe drinking water.

Mr. Cisneros said the taste is a little bit subjective, but two out of three years we've had runner up.

Mr. Stephens said and that goes back to some of the decisions the board made in the first year that I become superintendent by supporting us financially and being able to do the work at the water plant to bring us up to the present day standards that we have at the water plant.

Chairman Fee said good congratulations. We're proud of you.

Mrs. Gibbons said good you deserve that.

Mr. Cisneros said that one hurt a little bit.

Mrs. Gibbons said so who ended up winning? Who was first place?

Mr. Cisneros said first place was Martin County.

Chairman Fee said that was rigged.

Mrs. Gibbons asked was the Mayor there?

Mr. Cisneros said no she wasn't there.

Chairman Fee said out of curiosity you did vote for us when you were a judge right?

Mayor Hudson said I don't know. I hadn't been asked back.

Mr. Cisneros said two out of the three judges were from Ft. Pierce. If you think about the water that you drink every day you are used to it. That may have played a factor. I don't know. Again, this is the second time we won in three years, 2019 Keith is that right?

Mr. Stephens said yes sir.

Mr. Cisneros said we skipped 2020. It did hurt a little bit to lose.

Mayor Hudson said I have a question. So what he said was bottled water.....

Mr. Cisneros said is not regulated where.....

Mayor Hudson said so tap water out of our tap is equal to or superior to bottled water. Is that what you're saying?

Mr. Cisneros said superior to bottled water.

Mayor Hudson said isn't that funny. We should really –

Chairman Fee said I'm sitting here drinking bottled water.

Mr. Cisneros said we are actually working on a project that hopefully we'll be able to give you some news in the next couple of months. Working with a local vendor to can our water. We'll give you more information once we get a little bit more progress on that project.

Mayor Hudson said we need to brag about that.

Mr. Cisneros said we will.

Mrs. Gibbons said I think we need to brag about Keith too. Truly, it is his passion out there to make sure that our water is safe and tastes good and when I was out there and did the tour I was extremely taken aback at how much care he takes.

Mr. Cisneros said absolutely. He does a great job.

Mayor Hudson said when I took the tour something really bad happened the day after I was first mayor. I hadn't been asked back since.

Chairman Fee said that just could be a coincidence.

Mr. Cisneros said we will keep you away from the wastewater plant.

Mayor Hudson said yah keep me away, right.

Mr. Cisneros said Mr. Chairman the next item is an update on the results for the 2022 Treasure Coast Branch of the APWA, the American Public Works Association. Mr. Craig Crawford, Interim Director of Electric & Gas Systems will present this system. He's also accompanied by Mr. Chris Johnson and Clay Crouch.

Mr. Crawford said thank you Mr. Cisneros, Chairman and Members of the Board. FPUA was invited for the first time as far as I know to the Treasure Coast Chapter of the American Public Works Association equipment rodeo. On March 9th we went down and participated. There were five cities and counties in attendance. All the participants that where there got to compete on 7 different pieces of equipment. I believe vac trucks, side loaders, street sweepers, clam trucks, slope mowers and mini excavators. Clayton here represented us proud. He got first place in the mini excavator. Chris Johnson got honorable mention in the mini excavator. Clayton also got third place in the clam truck which he's never ran before. That was a little bit scary. I would like to congratulate both Chris and Clayton for representing FPUA and the City of Ft. Pierce.

Mrs. Gibbons said great work guys! That's wonderful.

Mr. Cisneros said the next item is a presentation of the 2022 Budget Award from GFOA. Michele Harris, Finance Manager will present this item.

Ms. Harris said I thank you Mr. Cisneros, Chairman Fee and Board Members. It's my pleasure to show you the government financial award for a distinguished budget presentation for fiscal year '22. This award represents a significant achievement. It reflects the commitment of the board and staff. The criteria we have to meet is it has to be a policy document, a financial plan, an operations guide and a communication device. I would really like to thank all of the FPUA staff for the input and review and a lot of people behind me who can attest that we ask hundreds if not thousands of questions throughout the budgeting process. It really does mean something when they provide us with the information. A special thanks to our finance department. They are bringing creativity and suggestions and enhancements every single year to keep the document

up to today's times and bringing creativity to a financial document that usually isn't very creative and kind of boring. They are bringing, from their viewpoints, into what the reader would like to see. We're super proud of this accomplishment and thank you for the opportunity to show our appreciation for everyone's hard work.

Mr. Cisneros said thank you Michele.

Chairman Fee said we'll move on to New Business.

Mr. Cisneros said the next item this afternoon is an approval request for a continuing contract with Jacobs Engineering Group for professional and design build services. Mr. Lugey Dawson, Environmental Engineer will present this item.

Mr. Dawson said thank you Mr. Cisneros. Good afternoon Chairman Fee and Members of the Board. Today I'm here to present to you a request to add an engineering firm to FPUA's professional engineering and design build services continuing contract. On November 2, 2021 FPUA approved staff's recommendation to negotiate contracts with nine professional engineering services and three design build service firms. Negotiations with several of the qualified firms received as of this date have been successful. An additional professional engineering and design build firm Jacobs Engineering Group is being recommend by FPUA's water and wastewater engineering departments. Therefore, staff is requesting approval to add Jacobs Engineering Group to FPUA's engineering and design build service continuing contract. With that I would be happy to answer any questions you may have.

Chairman Fee asked any questions of the board?

Mr. Lammers said Mr. Chair. Mr. Dawson, what's the motivating reason for adding another engineering firm to the continuing services contract?

Mr. Dawson said so this firm brings along with it a lot of expertise in the field of wastewater and water. You may know them as C.H.M. Hill back in the day. They are now Jacobs. Just a little fun fact. This was the firm that actually designed the FPUA wastewater treatment plant back in the day. They also did some work for us as far as renewing the wastewater uploading permit which is I believe this year as well. So having them onboard would be a definite asset for FPUA.

Mayor Hudson said Mr. Chairman, this will bring a total of three?

Mr. Dawson said this will bring a total of four. Four design build firms.

Mayor Hudson said so there is a need that you feel that something they bring to the table that you might not get with the others?

Mr. Dawson said it's just additional resources and like I mentioned a special skill with upgraded permits, which takes a certain skill to execute. They have the experience and we feel that this is something worthwhile bringing them aboard for.

Ms. Bennett asked will they be the first person that you go to or will you just use them as they are needed?

Mr. Dawson said we will just use them as needed based on whatever specialty they offer based on whatever project we're doing at the time.

Mr. Cisneros said we also use them on a rotational basis so that we try to rotate the consultants through a list so that we can use them for different projects so we're not picking the same person. So we try to reuse them on a rotation if possible.

Ms. Bennett said so bringing them on board you said there's some expertise that they have, what expertise is that they have that would make you say okay let's bring them onboard and then you put them in the rotation?

Mr. Dawson said like I said, they add value and additional resources to the list of firms or staff has worked with them in the past. There's a certain comfort level with them both on the FPUA side and their side and we feel that bringing them in will bring additional value if you will to the products that they are putting up for us.

Mayor Hudson said Mr. Chairman. With the permitting, where is that permitting is submitted? Where does it get turned in?

Mr. Dawson said that's submitted to the State of Florida, Department of Environmental Protection. Yes, ma'am.

Mayor Hudson said thank you.

Mrs. Gibbons said I have a question. I see no funds are needed. We're actually not securing any money to give them or signing anything at this time with them until we need them, then we call upon them and then they give us a bill hourly I'm guessing?

Mr. Dawson said it would be based on whatever we negotiate for that particular project at the time.

Mr. Cisneros said so the first step is to have a contract in place to be able to work with them and then each project is given a specific authorization number and then the terms and delivery and scope of the project is identified in that specific authorization. Each one of those if it's over $50,000 comes to the FPUA board for approval. If it's under $50,000 it's within my signature authority for approval.

Mrs. Gibbons said that's what I was getting at. We would still see everything coming through.

Mr. Dawson said yes, ma'am.

Attorney Koblegard asked there's no money involved in qualifying them as a continuing contract person for us; isn't that correct?

Mr. Dawson said no, sir not that I'm aware.

Attorney Koblegard said they're just there when you need them.

Mr. Dawson said yes, sir.

Mr. Lammers said Mr. Chair. Are we required legally to keep a certain number of design build firms on continuing services?

Mr. Cisneros said the Florida statute recommends three as the minimum, but I don't believe that's a hard requirement. You may not be able to find three. It's just -- I think the target is three. That's a minimum number.

Mr. Lammers said at the very least that gives us a one-firm buffer.

Mr. Cisneros said yes and also we have a quite a bit of construction happening if we have the rate sufficiency recommendations that we're looking at to relocate the wastewater plant and for our new debt issuance. We have a lot of conveyance system construction projects that will have and I'm not sure if we'll use them for this group or not, but that's another resource that we'll have available to us.

Chairman Fee said it sounds like from a historical point of view that this is probably an ideal contractor for putting whatever permits in place that we need to have since they're familiar with what we've done before. I'm surprised they weren't considered you know at the very beginning, but maybe that change over in the name and control -- may put some things on pause. Any other questions?

Mayor Hudson said so this is a necessary step in order for us to move forward and use them? We have to do this first?

Mr. Cisneros said you have to do the contract first and then each project is issued through a specific authorization.

A motion was made by Mayor Hudson, seconded by Mrs. Gibbons, and unanimously carried to approve RFQu No. 22-53: the Continuing Contract with Jacobs Engineering Group Inc., of Dallas, Texas, for Professional Engineering and Design-Build Services for Water/Wastewater Systems. The initial term of this contract is April 6, 2022 through June 30, 2025, with unlimited five-year renewal options.

Mr. Cisneros said the next item is an information presentation of the FPUA Enterprise GIS, Geographical Information System. I started my career at FPUA as the GIS manager and part of the hiring team selected our next presenter Mr. Jason Drost. A geo-spatial technology manager and he will present the next item.

Mr. Drost said thank you Mr. Cisneros, Mr. Chairman and Members of the Board. I appreciate the opportunity to discuss with you today geo-spatial technology and the value it could bring to organizations like FPUA. We can't talk about geo-spatial technology without mentioning GIS. GIS is an acronym for Geographic Information Systems and its most often associated with mapping. When maps become more mainstream and more accessible to the end users especially non-GIS folk and it's becoming a bit more difficult to define. Some answers to the question, what is GIS to/from non-GIS folk might be is it's a software program and prints maps for my wall. Its Google maps. It's kind of like auto-cad.

One of the deliverables of GIS software is that we can print a map for your wall. There's many other ways to deliver the information to you and Google maps will help you find the best restaurant in Ft. Pierce, but it won't help you solve utility based problems. The technology of CAD and GIS is becoming grayer, but CAD is primarily used as a design tool and GIS is a representation of the real world.

When I think about GIS I think about location and just about everything we interact with as a utility has some sort of location associated with it. Where do I have overgrown vegetation? Where should I be marketing our utility services? How can I locate an outage and restore power as quickly as possible? Location intelligence provides the insight and understanding to help solve problems in unique ways using geo-spatial data. Just as location can help us make better decisions, I think it's best to describe or define GIS more specifically geo-spatial technology through demonstrations of our work.

At the core of GIS is our geo-spatial data that's made up of our infrastructure and our network model. That network model changes every single day. We're changing out meters, installing new services, upgrading our infrastructure and it's our hardworking staff, our GIS technicians, our GIS analysts, our field staff and numerous other members of FPUA that maintain all of that data within our geo-spatial data that captured each one of those events on a daily basis and ensure that's captured in the GIS database. They essentially are the foundation to the digital twin of our utility.

We're going to need to share that information with as many people as possible. On the left-hand side of your screen is our web GIS utility viewer. It's available to any FPUA staff member. That allows them to open up a web browser and have access to all that rich geo-spatial information.

In the middle of your screen is an RTS field maps application that we developed for the locates team and allows them to see underground infrastructure right on their phone, or tablet and

allows them to assess or locate a ticket before they get there and once they get there it gives them a jump-start on where to start looking.

We also want to enable our users to contribute to the geo-spatial database as well. On the far right hand side is an example of a high accuracy GPS unit. It's used by our electric operations staff to capture the locations of gatekeepers and repeaters as you look to install AMI throughout our system. We also need to share that information in a more user friendly way. Some of you may be familiar with the John Hopkins University covid-19 dash board that gained global attention during the covid-19 pandemic. It's built on the same platform and technology that we use here at FPUA. In the upper left hand corner is an example of our AMI dash board to monitor the progress of this large scale project. It tracks our AMI deployments based on utility. On the bottom right hand side is a more electric specific example, but it will also give you a daily breakdown and we have some tools built in to the map.

We try to take the concept of data and sharing it and providing it back to the users throughout the organization. What I would like to do is provide some solutions we provided over the years for numerous departments.

We will start off with the water and wastewater utility. We helped streamline their manhole lid inspection program moving them from a pen and paper process to a digital platform in the field. In the upper left hand corner is an example of a manhole work order dash board. It not only tracks the progress of those inspections, but provides any action items that might need to be taken based on those inspections.

In the right-hand corner is our utility easement viewer. It allows staff to navigate within a map and quickly find utility easements within our service territory and with a quick click of a power gun they can access the legal documentation based on that utility.

On the bottom of your screen is integrating our geo-spatial data with our QCCTV software. This allows us to locate defects within our sewer mains.

The gas operations department has been champions of GIS technology from the very beginning. This is an example of us modernizing their annual leak survey program. We utilized at _____ survey 1, 2, 3 application that allows staff to conduct leak surveys in the field. It's a very robust application. It helps streamline that work flow. We built in notifications that when a leak is detected the proper personnel are notified immediately and they can help mitigate those leaks as quickly as possible. We've also developed dashboards to help track the progress of the inspections and we built in some user friendly tools for reporting back to PSC.

Another innovative solution we provided to the gas operations team is our gas pressure censored dashboard. It's a real-time dashboard. It integrates with our SCADA system and provides five minute increment readings along with the gas pressure readings within our system and provides a location to that. We also built in some advisories to help track and notice any issues in our

system. This is a really good example of integrating geo-spatial data with disparate systems such as SCADA that otherwise don't have the location capability.

A few years ago we went through our entire fiber utility and did a system verification. We visited every patched location and every splice enclosure within the system verifying for accuracy and for connectivity. We then took all the information and inserted it into our ARCFM fiber manager software to allow to us store all that rich data. Wavepoint is one of the deliverables of that hard work. This is actually a Schneider Electric program. It provides us the ability to look at information through a web browser to see all of our fiber infrastructure. In addition, on the left hand column of the screen you can see path traces so we can do circuit tracers or path tracers within the web browser.

In the middle of your screen is a virtual representation of a rack within a patch location. The orange dots denote ports that are unavailable and the black dots are ones that are available. Then the two diagrams that you see here denoting how cables are connected at either a patch panel or a splice enclosure. You can see the value that verification and software solutions like this can provide as we look to expand this utility.

Improving reliability of our electric system is one of the strategic goals of FPUA and the maintenance of that system such as pole replacements and tree trimming plays a critical role on its success. These are some examples of solutions that we helped to align with that strategic goal. In the upper left hand corner is our pole replacement dashboard. It allows us to track all the poles that have failed inspection within our system and track the life cycle to when it's replaced. In the upper right-hand corner is a solution we provided to track our tree trimming tickets. It takes a tree trimming ticket from initiation all the way to completion. The bottom right hand corner is an example of our light repair dashboard that allows us to view and maintain maintenance records of those lights. In the bottom of your screen is an application similar to our utility easement viewer. It allows quick and easy access to our underground schematics to improve the safety of our crews as we look to underground our utility.

Many of these applications that I'm showing you are the user friendly version of what we produce. A lot of this information is being fed from staff in the field. These are two examples ARC 1, 2, 3, applications that we use for our liability. In the upper left hand corner is an underground facilities inspection solution that we provide to our line crews and in the bottom right hand corner is another survey 1, 2, 3 inspection that allows us to modernize the pole replacement design process.

Our primary tool in restoring power here at FPUA is our responder outage management system. Again, it relies heavily on geo-spatial data maintained by hardworking staff, GIS technicians and analysts. They provide the ability to allow our system operators to search for a customer by name, by meter number that allows them to find infrastructure through unique id's and allows them to generate switching orders and allows the software to generate predictability based on

the information being fed to it. Combined with predictability is our AVL system it allows our system operators to communicate to our line crews where most likely an outage has occurred to help get to those outages as quickly as possible and restore power. We've also developed some real-time dashboards to monitor the progress of power restoration during major events and I will talk a little bit more about that in a few slides.

The rich information that the outage management system provides is from historical purposes allows us to identify vulnerabilities in our system. This is a recent example of an application we created built on ARCS insights. It takes all that rich historical information and allows us to put into a user friendly dashboard to allow for filtering. We integrate bar charts, tree charts, tree maps, and heat maps as well. It allows us to create proactive solutions to help mitigate those risks.

Being a utility in Florida it's inevitable that people will experience a hurricane at one point in time. I've been here 7 years now and I've had two storm events and quite a few close calls. Too many.

Mr. Cisneros said and a gas outage.

Mr. Drost said and this past summer we decided to redefine the way that we approach storms and create a more modern solution. Through my experiences I recognize that events like this there's a lot of people involved and each of them plays a specific role. So we decided to create solutions specific to those roles. One to capture damaged information. One to assign work. One to manage outages. One to maintain situational awareness and lastly an application to help us for documentation purposes for FEMA. This hard work was recognized by our GIS vendor ERIS and our case study was published to their web site recently.

As I said our system is changing every day and there's a lot of rich information that's stored within our GIS data as well. This is a terrific example of leveraging the information shared and stored within our GIS database and it's providing a solution that's not so location based. This is real good information tool. It allows us to see a breakdown of the utility as far as the percentage of our system that's underground and overhead. We could break that down by feeder, the number of miles and the types of poles we have in our system.

A few years ago we developed a solution for our business development team. It allows us to track upcoming and current projects within our service territory and we can also capture notes related to those projects.

Then lastly these are some examples of providing geo-spatial solutions to our community. In the far left hand column is our story map that allows us to take a virtual tour of utility boxes that we wrapped within our service territory. You see a location, pictures, description of the artwork, and in the middle of the screen is a rental rights form that allows a user to select a location on the map and request a rental light. In the upper right-hand corner is our public facing electric outage map. All of these applications or solutions are available to anyone.

Location is very important and this is a great slide that gives you an example of all the different use cases of GIS technology. That's in the far left hand corner. In the far right-hand corner is the department that could benefit from that particular use case. I know this is a difficult slide to see, but just about every department in FPUA there's value in utilizing the GIS technology.

Moving forward we look to align our geo-spatial goals with those of the organization. We look for things that reduce costs and improve reliability and commitment to our community. Each one of those goals has different challenges associated with them. We try to create geo-spatial solutions to help overcome those challenges and demonstrate the value that location can provide to the organization. I'm extremely excited about what the future holds over the next 10 to 15 years and I'm awfully lucky to be part of an organization like FPUA. Whereas a geo-spatial professional I have an opportunity to shape the future landscape of our industry and as an organization we need to be adaptable, ever growing and evolve with business needs and take on unique and complex challenges such as the smart grid, electric vehicles, solar energy and connecting with our community.

In order to survive and thrive in an industry of ongoing disruption. I think it's important that we create the proper strategy and we develop the proper goals. We invest in individuals with creativity, the skills and knowledge to overcome those goals that we implement scalable and flexible solutions. We cultivate a culture of innovation and collaboration and that we demonstrate the value that location can bring to the organization. These pillars gives our organization a competitive edge to move forward, grow and transform the industry.

With that I would be happy to take any questions.

Chairman Fee asked any questions from the Board Members?

Mayor Hudson said yeah I got a bunch, but go ahead.

Mr. Lammers said so you mention the ability to shape and mold the industry specifically as it relates to GIS and utilities I assume. What are some really big changes that you see that are about to crest that we will be able to take advantage of and really help bring a top tier utility to our community?

Mr. Drost said I wish I had the perfect crystal ball to look into the future, but for sure as we look for ways that we're implementing AMI technology and looking at creating a smarter grid, the importance of knowing where those assets are and being able to capture the information that those systems are providing are probably in the very near future and are the most valued by FPUA. Integrated other technology such as artificial intelligence and machine learning I think that's a few years down the line, but that will help us not have to go through and individually look at that historical information, but instead run that information through a model and it will provide that feedback to us without putting in a ton of manual effort.

Mrs. Gibbons said so I have a couple of questions. When I did the tour we were discussing the aging pipes and electric and all that and keeping track of where all of those connections are and maybe where they're weak right. I don't recall how far along we were or are they doing it on a daily basis. I know we're adding it as we see them right, so I know we just had the Georgia Avenue issue and that kind of thing I'm sure if you guys dinged those off there. Are there any other areas maybe that are weak that you guys have been focusing on?

Mr. Drost said from an electrical standpoint we focus a lot on what we can, the low hanging fruit with a lot of it -- tree trimming, pole replacements. Things that we have processes in place for. There's a robust R&R kind of analysis that we go through from a water perspective. I did show you the inspection software. We are a small team and we're taking in a lot of information. We do our best to manage and work with the departments. As GIS professionals I'm not an engineer. A lot of it is I need engineers to tell me what you are looking for. I understand the data. I understand how I can deliver it to you. I can't give you a solution because I don't sit in your chair and make your decisions. A lot of that collaboration needs to go on. I don't have an exact pinpoint of where I think our vulnerabilities are. That would probably best be answered by the department heads of those utilities.

Mr. Cisneros said I would like to add to that. There's a couple of things that we use. We use water main breaks, so we track those, customer complaints, age of the pipe and a couple of other factors to help us identify the weakest...I'm not going to call it the weakest, but the system that probably needs the most attention. We use a lot of those data points to identify the heat map that Jason talked about. We can create those heat maps and identify where those pipes are at. The CCTV is pretty interesting because the video camera -- they video tape the pipe and then they identify the cracks in the pipe, defects in the pipe that staff needs to address. So they'll use that. They will score that pipe from manhole to manhole and they will give it a score based on the number of cracks and whatever other data they can collect. They will identify the weakest sewer pipes. Then we use Osmose Pole inspection data to dictate what poles we need to replace sooner rather than later. The engineering groups do use a lot of data. The data that they collect they use and analyze. They'll put into the GIS to evaluate the system. That's what Jason really helps them develop.

Mrs. Gibbons asked is there, and this might sound really dumb, so I will apologize now. Is there anything that I know you can scope the line and kind of look down there; right? But is there some kind of wifi camera that you can put through the system that can do a video from start to finish and see where some of those places are?

Mr. Drost asked from a sewer standpoint?

Mrs. Gibbons said yeah.

Mr. Drost said that's exactly what the QCCTV inspection software does. They take a camera and they ride it out and they identify any defects. The software then captures the defect, captures the location of it based on how far along you've been down the pipe. We can generate maps as Javy said. We can generate maps that have particular scores. So we look at the ones that have the most defects or highest score.

Mrs. Gibbons said so like it travels through from point A to point B.

Mr. Drost said and when you're talking about geo-spatial technology it's very large. You can take that concept and implement something like drones and riding lines out. There's lots of upcoming technologies that we need to pay attention to.

Mrs. Gibbons said lastly, I just had a question kind of about like where the department heads kind of review this. Do they have it on their phone? Is this something they have to sit in front of their computer for?

Mr. Cisneros said it's a large amount of data. They need to sit in front of a computer.

Mr. Drost said I always do my best to make sure that it's accessible on any device. The technology is definitely moving much -- it's moving fast. At the point that's one of the reasons why I built the public outage map the way that I did. I wanted to make sure it worked on a tablet, browser, or phone whether you flip it or turn it. Right now the information is actually becoming very accessible on just about any device.

Mrs. Gibbons said cool. Very interesting.

Mayor Hudson said Mr. Chairman. So we have a very old system; right? Over 100 years old, I think.

Mrs. Cisneros said 120 yeah.

Mayor Hudson asked so I mean how did you start? Did you have old pieces of paper that shows you where pipes and things were?

Mr. Drost said there was actually a thing I saw somewhere and they were talking about looking at old as built. It was a guy dressed like Ponce De Leon with his magnifying glass. Saying this is how I feel every time I look at an as built from the 1950s. You're relying on a lot of historical information to get that information into your system and each utility is different, right. From an electric standpoint a lot of it is in the air. I can verify that. But when you were talking about sewer systems and water systems unless you dig up the ground, you -- whatever was on the drawing from 1960 is really all you have go on and you take your best guess with it.

Mayor Hudson asked and then did you use the property appraiser's web site with the property identification of the plots? Or do you have your own website with our customer base, and our potential customer base?

Mr. Cisneros said yeah we do use the property appraiser's database for the partials and the right-of-ways as a base. So we get their data a couple of times a year.

Mr. Drost said we have access -- we use whatever we can. We'll use air photography, street view, and appraiser data. We will sent someone out on the field if we can.

Mayor Hudson said I would think you would have a lot of usable data to start with because they have parcel ideas, street addresses and the age of the home and you know that kind of thing and so you've had to kind of go from this old paper system to now a technology system; is that right? And all the different systems? What does this mean to the -- how does this help the customer? I mean, you talked a lot about how it helps department heads. I know it probably makes reliability – it builds reliability every time we can identify it. How does the customer -- the customer who calls in and says I have an outage. You already know they have an outage; right? Theoretically.

Mr. Drost said yes, but as that one slide demonstrated having that GIS data as we feed information to our outage management system, it's recognizing customers that are out. It will actually predict based on the information you are providing it where it thinks the outage has occurred. Even if a customer calls and they are part of a transformer bank or a fuse we have thresholds in our outage management system that say well half the customers are out that have called in. I bet you it's probably the fuse and it will roll up to the fuse. That allows our system operators to communicate with our line crews and say here's where the software is telling me where to go start riding downstream from there rather than going to individual customers.

Mayor Hudson said and I can see how that does. But the calls that I get as Mayor are like -- I can't get through to them. I want to tell them I have an outage. I want to know when it will be fixed. Those kind of things. Is this system going to help us do that?

Mr. Drost said the public outage map provides some of that information to the customer. It is a real-time outage map.

Mayor Hudson asked does the customer have access to that?

Mr. Drost said yes. The public outage one. We don't give them fine grain details. We don't give them the same information that our system operators are using to help communicate with our crews, but it does give them an area of where the outage occurred, the number of customers, approximate location of where the outage is. They do have access to that. Again, as I stated as we look to improve some of our ways I think the way we communicate with our customer leveraging the data that we get from systems like this. I think that is definitely something we can -- we should focus on and look at.

Mayor Hudson said yeah because those are just simple things to the customer and it's very -- it looks very, very sophisticated for FPUA employees, but for the customer they just want to know that you know it's out and when I get contacted, I tell them I bet you they know already it's out.

Even though you can't get through. I think they know already. I will see what I can find out. I think that communication part of it -- all this sophisticated knowledge would be great. I also think we need to think about having some kind of protection in place because of security. Because everybody is worried about security of their systems now. They have been for a while and I would imagine you don't want to put too much information out there for someone who had some kind nefarious purpose.

Mr. Cisneros said right. The web page that Jason is talking about that's public facing that's kind of a reactive response to providing information. We are working on a proactive approach that we're probably a couple of months away from finalizing. So that when there's an outage we can notify the customer if they are part of the contact list we'll notify them there's an issue in your area. We are aware of it so they don't necessarily have to call. We're being proactive with letting them know.

Mayor Hudson said as long as they know that you know they feel better about that. They don't feel they are panicking if they don't know that you know.

Mr. Cisneros said right. We do expect that to be pretty successful and hopefully reduce the number of calls we get into dispatch so the dispatchers can focus on restoring power or restoring whatever it is that they need to restore because those calls do come in. Some customers know how to get around the system and get to the emergency line, which is really intended for real world emergencies. We're working on a proactive approach to notify our customers that they're out.

Mayor Hudson said and also for the water -- for the other -- not just electricity. Because that was a problem when we had the Georgia Avenue situation; right?

Mr. Cisneros said it's water, electric and gas.

Mayor Hudson said okay thank you.

Mrs. Gibbons said so the dashboard that we have on the website is fairly simplistic. Have we thought about trying to use the dashboard that looks more like the covid-19 one? Where people can see that we have all systems running or there's only this many out. Whatever so that it's a little bit easier for them to diagnose, I guess.

Mr. Cisneros said actually if there's an outage we probably don't have one now. If there's an outage you will be able to click on the extent of the outage and then there's a couple of dots in that boundary and that boundary if you click on the dot it will tell you how many customers are out and what the expected time is. Jason could show you that in a minute. I think that would answer your question.

Mrs. Gibbons said I've never been able to find this. Maybe I'm not looking in the right place. I will look again.

Mr. Drost said I will show you where you can look.

Mayor Hudson said we need a lesson I think.

Mr. Drost said right here on our web page. On the top of your screen. Right in the middle.

Mrs. Gibbons said right there.

Mr. Drost said surprise.

Chairman Fee said I even knew where that was.

Mr. Lammers said Mr. Cisneros do we have directions to get to this outage map on the IBR? I think that would be kind of a good thing to do.

Mr. Cisneros said I don't know. No, we don't.

Mr. Lammers said so when they call in, you can tell them right away on the voice recording hey visit FPUA.com going to outage maps and you'll be able to see what outages we are aware of.

Mr. Cisneros said what I think we can do is the outgoing notification to let people know there's an outage we'll let them know there's an outage and give them a link to this outage map. That way they can have a link right on their phone. On the IBR, they will -- customers know which button to push to get through. They typically won't listen to the entire message. The outgoing text notification or e-mail notification we can include a link to the outage map. Which will be helpful and I think that answers your question.

Mr. Lammers said Mr. Drost is there any way for our customer who is experiencing an outage to see what the estimated restoration time is?

Mr. Drost said sure. If you zoom in on your map here you can see that we have a couple of outages. If I click on the dot, it actually gives me the number of customers affected. This a planned outage. It gives you the equipment effected. I could with a transformer or a fuse. It could tell you the cause of the outage. That could be weather or vegetation for this particular one. It's a planned outage, but there's also information within the polygon. You can see whether a crew has been assigned within this top up here on the red dot. There's an estimated restoration. This is planned outage so they didn't really fill it in. Yes, there's an option for the system operators to put in this is the estimated restoration time that we think and the user can locate this and see that. We do provide some information, but we don't get into the nitty-gritty details. I think this is as far as you can zoom in. I'm not zooming in on someone's house if it's a customer related call. Those are some of the security that we put into it.

Mr. Lammers asked and that shaded area represents the extent of the outage?

Mr. Drost said it represents the feeder boundary. This tool is probably best used during major storm events. I don't know if people really coming on here are looking at the onesies and twosies. It's during a major storm event and that gives you a high-level idea.

Mr. Cisneros said this is a live connection to the outage map. This is up-to-date.

Mr. Drost said it updates every 15 minutes.

Chairman Fee asked your proactive response that you have planned in the future where you will notify impacted customers that there's an outage. I hope you will also include in that message to them a proposed restoration or expectation when it will be restored. Because that would be nice information to know other than, hey, it's out. Click. I know FP&L provides that service. I've had them call a couple of times and say hey we're going to restore you by 10pm tonight.

Mr. Cisneros said yeah they give you a very large window.

Chairman Fee said exactly. I know we can't be accurate about it, but it would probably slow down incoming calls. On the GIS, what is our budget that we're putting into this type of technology?

Mr. Cisneros said we will have to get back to you on that. I don't know the answer to that question. We have a department and then we have licenses for software. I don't know the answer to that.

Mr. Drost said we essentially have small utility agreements with two organizations. One being ESRI. It provides us all of the GIS licenses. Because we are small utility and we have a certain amount of customers, we get a really good deal and it allows us unlimited licenses. Lots of access to software applications that typically you would have to pay for one by one, but that gives us an opportunity to bundle it all together and gives us a real good opportunity to be able to implement solutions like this. We have a very similar agreement with Schneider Electric vendor who is also our outage management software. In addition, they are our fiber management software. They do fiber, they do our outage management and they also provide the integration with AMI system as well. That vendor, again we have a small utility agreement with them which gives us a bundle of software that we usually sign a three-year contract with at a certain cost. We worked that a couple of -- three years ago. I think it's up actually this year.

Chairman Fee asked any other questions?

Ms. Bennett asked how long does it take the system to contact the customer?

Mr. Cisneros said we don't have that system in place yet. We're looking at putting it in place in the near future. As soon as we have that active we will make sure we give the board an update on that. As a matter of fact we'll most likely do a presentation to the board so it can be on tv and our customers can see it in addition to our social media outreach and web page.

Mr. Drost said I think requirements like that have to be defined. We'll have to talk to some of the experts, talk to the electric operations supervisor what their comfortable with sending a notification out. It's a fine line. You don't want to be too early because now you're creating chaos when in reality you don't have the proper information. So getting information from the line crews and being able to assess it that way is probably going to be the requirement that they will discuss. What we would like to do if we can get a confirmation from the crews is definitely what's is out and use that as our trigger mechanism, that way we know for sure what the cause is and now we're being more accurate in our estimations.

Mayor Hudson asked would that be through the phone?

Mr. Cisneros said text or e-mail.

Mayor Hudson said so text you would have to have someone's cell or an e-mail. The most important thing they want to know is that you know. Second most importance thing is that you are working on it and maybe a big window of when you might be restoring. Most people are okay knowing they know it and that you are working on it.

Mr. Cisneros said you're absolutely right.

Mr. Lammers said Mr. Chair I do have just a few final comments. The gentleman that Mr. Crawford presented to us from the equipment rodeo. Those types of folks are an absolute critical requirement just to have a utility. If you want to run a utility you have to have people like that. There's no – they're the ones that make it all happen. If you want to have a B-tier or A-tier utility you have to have a strong GIS. There's no way around that. That's the only way in this day and age you can make intelligent decisions. Madam Mayor you mentioned what kind of value it brings to a customer. Before we were able to do geographical analysis on our utilities there was really only one way -- maybe two ways that we made decisions on how do we invest our money into capital in replacing our existing infrastructure? That was based on age and the gut feelings of people that are out in the field. Where now we can do that analysis that says okay what is the density of water main breaks that we had. Customer complaints and using that video data. What's the density of cracks in our pipelines? We can spend that money intelligently and there's no way to do it without a good IT department, good engineering department and a great GIS. With that being said and I will give Mr. Drost a plug and I'm sure he will be a little bit embarrassed as far as GIS folks go he's an absolute rock star. There's nobody I ever met that does it better than him. I've had an opportunity to meet a lot of folks who does what he does. When he first came onboard, we had a quote from a firm for $150,000 to implement the software that he presented to us and they wanted a year of a full-time person from staff to come alongside them while they implemented it. He implemented it in less than a year by himself. So that's just one of many scenarios I can give you. He's an absolute rock star. His teams are great and they bring huge value. Whatever their budget is, I'm confident it's too small. They bring huge value to the community and for every dollar that goes into that department they give back at least 10. That's all I have.

Mr. Drost said I appreciate the comments, but I definitely didn't do anything by myself. I couldn't have done it without the staff that supports me. I'm good at software and I'm good at implementing and understanding that kind of stuff. Really, it's the people that are maintaining that data on a daily basis. Our system is dynamic. Tomorrow I will come in and something will be different than it was today and trying to track that from -- with four utilities can be a very difficult task and they do a very good job of handling that.

Mayor Hudson said I'm certainly dazzled. I think that's pretty easy.

Chairman Fee said all right. Thank you.

Mr. Cisneros said Mr. Chairman, the next presentation is an information presentation on the City of Ft. Pierce retirement and benefits system. It's an update from last year. Mr. Keith Stephens will present this item.

Mr. Stephens said thank you Mr. Cisneros, Mr. Chairman, and Board Members. I'd like to make a comment before I start on the previous comment that was made. I do want to say at the water treatment plant if it wasn't for the operations staff and maintenance staff, they all have a passion also to put out safe drinking water. I think those of you that have been there have seen that with the employees and they do a fantastic job of putting out safe drinking water.

Some of you saw this presentation last year. This is an update of it. Some of it will be rehashing. It's an annual presentation we do with new numbers and some things have changed. Some of this will be new to the newer board members from last year. I am a voted member of one of the two representatives for FPUA on the City of Ft. Pierce retirement benefits system. As you can see right here we have 7 members, 2 city commissioners, the director of finance, and FPUA appointee, which is Ms. Barbara Mika who is not here today and 3 elected members. I'm one of the FPUA elected members. The city has elected members and the police.

Four of us are certified public pension trustees and three are in the process now because they are newer members. We have an attorney, investment consultant, and nine money managers. We're established and operating in accordance with Chapter 13 of the city charter and as you can see it's calculated based on the members final average salary of the top five of the last ten years and there's a service time three percent multiplier. We are a defined benefit plan not a defined contribution. Some people don't understand that. But to put it -- I put it in simple terms. If you are a defined contribution plan, when you go to retire you've got a pie and you've got to decide how much of the pie you want to eat that year. If you eat too much that year, next year you might have to eat a little bit more and a little bit more. If you start using your initial investment up you will not be able as at the end of that the pie will be gone. That's the problem with defined contribution plans. You try to slice it up and see how much you need to live that year. With a defined benefit plan you get the same amount of money for the rest of your life depending on

your election. That's what is great about our pension plan and the employees that work for us. There is a negative and we will talk about that in a little bit.

Because of our plan and the way the charter is written we haven't had a COLA in a while and we will talk about that in a little bit and I will explain it. FPUA employees may retire after 25 years' of service or 60 years old and five years of service. The five years is our vesting period.

In 2022 we did have a change. As you can see right there, for the fiscal year 2022 we had a valuation. We had a change in that it removes the $100,000 maximum pension payment for members hired before October 1, 2012. The actual accrued liability was $2.4 million and increased the employer contributions by $221,000. That wasn't just for FPUA that was split amongst the three police, city, and utility.

Mr. Cisneros said I would like to mention that was changed in 2012, but prior to that it was that way before. So what they did is they took it back to the way it was before for those employees who were hired prior to 2012.

Mr. Stephens said so as we move forward there's not going to be the employees that were hired after 2012 will not get the same benefit. Per Florida statute these are the things that got added; 10-1-2012 as you see, employees they can work 500 overtime hours a year, but only 300 hours are counted toward retirement and that's on a rolling average. Balance of sick and vacation as of 6-30-2011, whatever you had then. Those that were hired before 2012 that's all you can sell back towards retirement and as you see employees hired after 10-1-2012 can't sell toward pension final average salary. If you were hired after 10-1-2012 your maximum is 75%. So our employees are going to be 25-year employees make sense and then they have the ability to go into the drop program and you can have them for 30 years. That's going to be your average employee from 2012 as they get into the retirement at the present charter.

Our FY2021 contribution amount the employees put in $964,291, the employer $2.575 million and FY2022, the employees will put in $6.16, which is fixed and the employer percentage will be 17.96 and that's an increase for this next year of 1.04 or .02 from the previous year. It does this a lot. We've been very lucky the last several years it actually went down and we did very well, but with actuaries the risk is up there. Things change all the time and I'll talk about that here in just a second.

As of September 30, 2021 we were 90% funded and I can assure you that's very good. I would like it to be at 100%, but we're not there. Our return last year was 10.15 which is very good. It's greater than our 7.5 assumed return. That 7.5 has everything to do with the risk when it comes to our actuary report. Moving forward we're actually going -- we've lowered that to 7.25. We've been slow to go down. We use to have it at 8 and we've slowly went down to 7.75 and Madam Mayor I think you were part of some of those votes as we lowered it when you were on the

retirement board and they've recommended 7.25 and really there are some pensions that they're recommending 7 or below. Because what they are saying is there will be tough times ahead.

Mayor Hudson asked can I interrupt you for just one second?

Mr. Stephens said yes anytime Madam Mayor.

Mayor Hudson said because a lot of this depends on the performance of the stock market.

Mr. Stephens said or investments, yes, ma'am.

Mayor Hudson said yes the investments. So good years -- I mean so this isn't just -- it's good management. I'm not taking away from the management. It's really is good years for the stock market it's good years for -- it reduces that on that previous screen the 17.6 could be lower because of good performance for this stock market.

Mr. Stephens said absolutely that's one part of it. If they change the rules like the mortality tables anything like that happens –

Mayor Hudson said the state legislature did that.

Mr. Stephens said that can negatively affect it. Mr. Fee from last year I'll make sure I'll tell you our people live longer. It's not as good for the retirement. The actuary did put that in the observed experience. We had a less than expected retiree mortality experience. That's unfavorable to our retirement system.

Mayor Hudson said tell that to the retirees.

Mr. Stephens said when an actuary does those numbers they look at so many things. I remember last year I looked at, since we were talking about that, one of the things I looked at last year was I was amazed at the ages of some of our retirees. We have 22 retirees over 90 still drawing from the pension. From 85-89 we have 17. From 80-84 we have 37. I'm not going to go through them all, but that just tells you the ages of some our retirees which is kind of amazing.

As on September 30th, our fund was $246,661,000, but I did get an update and I know that the number as of December 31st was $259 million. We did well at least through the first quarter. I don't know what we've done since the first of year it's been bad, but to your question, Madam Mayor, I will say this. We diversify and because of the way we diversify we don't have big, big ups but we definitely don't have big big downs. I will say in the history of our fund we've never got a return less than 8% over all the years of the City of Ft. Pierce retirement system. If you think about that that's amazing and that's through diversification and it's through our consultants. We keep the same people, we're very stable and money managers just because they have a bad

quarter or even a bad year, as long as we know why they've had the bad year, because it could be just that area. You know we compare them, as you know, if they are not working out and their not following what we want them to follow then we will change them out. It's only happened once in over 20 years is my understanding.

Mayor Hudson said I was also responding to the fact that you said we might be going into some rough times and I thought that you were talking about perhaps just the general investment performance.

Mr. Stephens said oh I'm assuming that is true. Right now though it did drop, but it's still.....I don't know and there you can right now the annual benefits of the FPUA, city general, and the police. There it is right now. That's the percentage of diversification that we have right now. You can see where our money is and if one area does better and one year less we usually take that extra and it might like domestic equity might go high and we have 40% in there that's kind of where we draw the cash out to be able to pay the retirees and things like that. We have a -- so they get it straight at the end of the year and try to get it back to the percentages that we want. That's our targets are right there.

Mayor Hudson said didn't you take -- it took it a long time to get -- we're very, very careful about the whole real estate thing.

Mr. Stephens said yes and as you remember I had some concerns about real estate in the meetings and my other concerns were China and we're into the international fund. We are into it because there's a lot of good money to be made in the international funds, but we're very careful. We just got our little pinky in it now. We definitely do diversify.

The COLA there's a lot of things that has to happen with the COLA. For one thing we can't have any unfunded liability. Well there you go $38 million. That actually came in, in 2008 when we had the big drop in 2008 to 2011 and that's where it went up. We actually go down some years. What changes that is there's only a few things, we had an influx of money. We could pay that off and the only way to do that would be.....it's not hurting our system, but it's just keeping us from getting a COLA right now for our retirees. Now you think about it, if we have 90-year-old retirees, they've been retired a while. What has happened to the cost of living over that time period? I think there's only been one that I know of that Commissioner Perona was able to remember and we are looking at some avenues, but we can't hurt the fund. We're stewards of fund and the bottom line is we have to keep this retirement fund solvent and keep it, you know, good. That's our job.

Mayor Hudson said so the fire district has the same problem. They have older retirees, but they haven't been able to have a COLA because their fund has to get much more stable. We're not alone.

Mr. Stephens said and my understanding is we're much better off than they are and as some of you may or may not know the fire district was with us till about 2008. They pulled out and separated from us. We have to be 100% funded. All those things. What we're looking at right now, we're just having the actuary look at it in the last meeting, we're actually looking at possibly for some of.....we just ask them to look at it. This would have to go before the city commission to retirees that have been retired over 20 years to look at maybe a 13th check, something like that. The bottom line is if it's hurting the fund we have to look at how big it negatively effects the fund. That's the big deal there.

The actuarial report right here is going to be on fpua.com. You can look and see anything you need to see there about it. It may not be there now, but Barbara Mika will put it on there after this. There's the site and that's open to the public. You can go and look for the retirement system. Are there any questions?

Mrs. Gibbons said I have a question, maybe I just don't understand it all the time. I came from where you did 401(k) and you had to put in money. I put in 6%, they'd match up to 3. So then when you get to the part where we're like yeah they are putting in 6% and we're putting in 16 or whatever. I'm like holy cow, how are we able to do that. In the employee's paycheck I'm curious how it works for them. Do they have to opt in?

Mr. Stephens said it's a mandatory thing. When you get hired. You put the 6.16 in as an employee of FPUA, I'm cure the city is the same.

Mrs. Gibbons asked is there a time line those people have to be with us for X amount of years before that starts happening?

Mr. Stephens said no that happens on the first check. But what happens is after five years you know they become vested. Meaning if they left the company after five years, they have a choice. They can defer their retirement. Let's say they leave after five years and they're 30 years old. They can't touch the money until they are 60. That 15% theoretically through a multiplier that just sits in there and when they turn 60 they can start getting the 15% of the money they put in. Or they have an option where they could take the money they put in and just take it and run. They could take the actual cash amount, minus the interest, yes.

Mrs. Gibbons said but the minus the 15% so once they are vested they get to take the whole 21%.

Mr. Stephens said no. If they put in, I'm just going to use a number, over those five years that they're 6% let's say they put in $10,000. If they leave and decide not to defer and retire that's only if they are vested...if they're less than five years they automatically have to get their money back that they put in. After five years they have an option. They get the money back minus the interest and the money that FPUA had put in during that time period and the interest stays in the fund for the goodness of the fund.

Mrs. Gibbons said okay. Interesting.

Mrs. Bennett asked do they have to pay taxes on that?

Mr. Stephens said I have no idea, ma'am. That's a financial question that they would do. We're on the board, but that would be a financial question when they get their money back. I believe they may because I don't believe they pay taxes when they pull it out. We pull it out from the gross fund I believe.

Mr. Cisneros said so the 6% is pretax. They pull it out before they tax anything.

Mr. Stephens said yes, that's what I was thinking. I was pretty sure of that. I would think they would yes ma'am.

Chairman Fee asked what is the value of the fund right now? Is it the $246?

Mr. Stephens said I happen to pull the number of the end of the year that was as of September 30th. It's actually $259.

Chairman Fee said so if you got a 20% return on that money in one year that's going to trigger the COLA correct?

Mr. Stephens said no sir. We have the unfunded liability and that number has been going up and down. I think it was down to below $28 million as it came down. We have to pay interest on that money too. The first thing that happens is we pay interest on that $38 million. Then we dig into the principle of that money every year. We had a good year over 10.15%, but there's a lot more that goes into its actuarial number. We asked the actuary as I was straight up I said how are we ever going to get here? That's why in his report he actually said for the foreseeable future because there's things that change, people live longer. That's one thing. These things negatively or positively affect the plan. Another thing would be the state decides ok we're going to change something. It's not been too long ago. They change mortality tables. Why? Because people are living longer. Since people are living longer that was a negative number on our big number when he's trying to figure out our plan over the life of it. Actuaries can tell us almost the day that we're not going to be around anymore if you ask them. That's what they have to do. There's a lot of different things that go into that for use of a better word and I'm definitely not an actuary.

Chairman Fee said because I just looked at actuarial gains exceeding $38 million. I didn't know what you mean by that.

Mr. Stephens said there's so many things going on. I asked the exact same question. I even called him and said I need you to explain it. He went on for 15 minutes. I said that's all I need. I was fine with it then.

Mr. Cisneros said he got the same answer he's giving you right now.

Mr. Stephens said I mean he's met our actuary. Very smart individual.

Mr. Cisneros said oh, gosh. Yeah.

Chairman Fee said I feel like he's dressed all in black and carrying a sickle around or something.

Mr. Stephens said he says they don't like to use that word. The death word. He doesn't like to use that word.

Chairman Fee said well thank you. Any other questions?

Mr. Lammers said Mr. Cisneros said so Miss Gibbons mentioned that we put in X percentage and employee puts in Y percentage and obviously it's a significant investment for the utility to give this benefit to employees. Do you have a feel for how attractive of a recruiting tool this is for both getting people in the door and also retention of employees?

Mr. Cisneros said that's a good question. That's a big recruiting tool. I will say, it's becoming harder and harder. The younger folks/generation are looking for more money up front. Also, they have a little bit of a different work experience that they would like to do. From what I understand the younger generation wants to work somewhere 2-3 years and then move to another company and get as much experience as they can in the first 15 years or so. They like to move around quite a bit; but those folks, 15 years later, come back to FPUA they understand the value of that retirement benefit you are talking about. It's a big recruiting tool, but they have to be ready for it. We've been struggling with that quite a bit to try to recruit people. Especially in Florida with so much construction and so much going on that it's been tough to find qualified people and to keep them. They are chasing the dollar.

Mr. Lammers asked at what point do you foresee, if you've given any thought to it, us having to come up with other creative ways to attract talent?

Mr. Cisneros said you know we've been talking about that. There's a couple of different things. The world has been changing obviously with covid people that are working from home. We're getting tight in space. Especially with some of the potential construction projects that we have. One of the things that we've talked quite a bit recently is working from home. That seems to be something that people want to do. There's certain positions that can do it. Not every position can do it that's not really an option for everyone. It could be an option for some of those people that you don't even know that work at FPUA and that's the kind of work they like to do. There's an opportunity for us to look into more of that which would also free up office space for some of the growth that we have. Also, we have an education program, so we pay for 100% of your college. Some of the younger folks that come in the door we pay for their education up front. We

have a couple of other recruiting tools that we try to bring them in and keep them here. Our health insurance coverage is pretty competitive, but for a younger single adult they really don't look at that as much as someone in their 30s or 40s with a family. FPUA becomes a much more attractive job for them.

Mr. Stephens said Mr. Lammers just to piggyback on what he said. Before you got on the Board, I'm sure you remember when you were working here that we had the five year vesting. Then it went to ten years with all the changes in 2012. It wasn't until about 3 or 4 years ago now I pushed for us to change it back because we really didn't save by going to the ten-year vesting. Like he said, the younger generation, can you imagine what ten years means to them? I think I just heard a story on tv the other day the guy talking about an old lady doing this she looked to be 50 and social media jumped all over the person making the comment. What I'm getting at is the 5 year vesting we think by going back to five years, not only did it help maybe with some of the younger, but it opened the door for some of the older applicants to come back in because if you're 50 years old, you may not want to work still 60, but if you know you can be vested after 5....remember we used to say if you kept someone here for five years you got them. Remember that? Years ago that's what we said. Things are changing. We're hoping that will help out as a tool and with all the other things Mr. Cisneros mentioned.

Mrs. Gibbons replied definitely a benefit.

Mr. Cisneros said the next item Mr. Chairman is an information presentation for the FY2021 capital carry over to FY2022. Mr. Kiy Tran, Assistant Controller will present this item.

Mr. Tran said thank you Mr. Cisneros, Chairman Fee and Members of the Board. Today I would like to report the fiscal year 2021 capital budget carry over to you. At the end of each fiscal year funding of some of the capital funds remains unspent. It may be due to delay in shipment. For example, vehicles that were ordered during fiscal year may not be received until after September 30, 2021. A project may be hold due to permits and/or corroborating efforts with other municipality counties and special district which may extend the project to the next fiscal year. An example of the multiyear project is Edward Rd., Oleander to US 1 which started in 2020. In July of 2021 the board approved the fiscal year 2021 annual budget with authority for staff to carry over budget funds for partially completed projects without additional board approval. The report provided to you in the board package contains a list of carry overs that show what has been spent on each project as of September 30, 2021, amounts to be carried over for fiscal year 2022 and a percentage of completion of the project. Before we started our carry over process, we established guidelines to limit those projects to be completed within one year. Here's the guidelines we used to determine the libel carryovers:

- Fixed asset: Budget items must be ordered and approved on a requisition before 9-30-21.

- Capital carry over funds that were carried over from the previous year are not permitted to be carried over again.
- Subsequent budget transfer after the budget view meeting that is not spent by the end of fiscal year will not be carried over.
- Carry over will be limited to the lesser of the CIP amount at the budget review meeting or the remaining budget at the end of fiscal year.

The Capital budget carry over for fiscal year 2021 will be $7.7 million. Water and wastewater accounts for 69% or $5.2 million of the total carry over. Electric and gas account for 19% or $1.5 million. The remaining 12% or $959,000 are from FPUAnet or admin.

The breakdown of $7.7 million carry over for funding by funding source is as follows: $2.9 million or 38% are rates funded, $3.5 million or 45% are from contribution A, and $1.3 million or 17% are from capital improvement charges.

Of the $2.9 million rates funded projects, there are four rates funded projects which accounted for 50% of the total carry overs:

- MWRF monitoring well wastewater $750,000. Estimates complete in 2022.
- 55 foot material handlers electric $290,000. Expected to deliver in June of '22.
- Substation transformer replacement from electric $285,000. This is second year of the substation transformer purchase for replacement of the total of 6 transformers by 2026.
- Lincoln Park, FPUAnet $199,000 for wire and wireless installation. Network to provide communications service to customer.

Only to compare to previous years carryover, on and average from 2016 to 2019 83% of our carry overs are spent in the following year. In 2020 the outlaw year due to covid and supply chain issues we saw a dramatic drop to 43%. Overall, the budget includes carry over and contingency. FPUA spent roughly 59% on average of its capital budget. The carry over project for 2021 were included in the fiscal year 2021 and 2025 capital improvement plan. The amounts have been calculated and developing rates will have no additional impact on rates.

This presentation is for information only. Thank you for your time. I would be happy to answer any questions that you may have.

Chairman Fee asked any questions of the board members?

Mrs. Gibbons asked did we just implement that you have to use it the next year or you can't carry it over again? It's only one year, right?

Mr. Tran said yes we implemented that last year.

Mr. Cisneros said just for general awareness this will be the last year we do this whole carry over thing. We're looking at budgeting a little bit tighter to the projects and also because that's something that came out of our rate sufficiency analysis. Is that when we go out to borrow money we say we will spend this money, but we only spend this much money. We will budget closer to that and projects that are not identified will go into a blanket number that we can pull from so that we can do less of this administrative stuff. Still make sure that we make the board aware of what we're doing and what we're spending it on, but administratively we want to reduce some of that work. This is quite a bit of work. This is the part of our -- this presentation to make the board aware of the carry over money from one year to another.

Mayor Hudson said Mr. Chairman. Just for clarification there's a whole bunch of organizations that you have to be in touch with to know capital things are coming. Like the county.

Mr. Cisneros said DOT, City.....

Mayor Hudson said and the City of Ft. Pierce. You have to budget so that you can do whatever we need to do in connection with that project and then so that requires a lot of coordination and communication especially with the city and we're trying to do a better job with both organizations so we're efficient and the utility is able to do whatever it needs to do before any kind of road work, et cetera, et cetera. I guess my point is, that I think it's important for the board to know that this is a huge puzzle piece that every year you have to figure out. What's going to happen and who's going to do what. I don't know. Do we have to do anything that accommodates the construction of the North Bridge?

Mr. Cisneros said yes we do.

Mayor Hudson said right, you have to know all of those things are coming down the pike and when they are coming and then you have to prepare also for hurricanes and disasters, et cetera.

Mr. Cisneros said so I think Mayor Hudson you make a very good point. What you're seeing here is really a combination of working with all the agencies and potentially the projects that they may do and so that's why it adds up. But the reality is for the majority of the years, they typically were able to guess what that number is a little bit closer to average. So what we're going to be doing is budgeting on the average and if we exceed that then we'll make sure we come to the board and dig into some contingency funding verses trying to budget for a project that we don't know that's it's going to -- we don't know exactly when that project will happen.

Mayor Hudson said that would be a good experiment. That makes sense.

Mr. Cisneros said it's also a better reflection on the UA when a bond -- when someone is looking at us, a rating agency because they'll see that we're budgeting closer to what we actually spend. That's a very important piece of what we're trying to do moving forward.

Mayor Hudson said because in the audit it sticks out. The city commission has been kind of petulant about that like why you aren't spending all the money you said you were going to spend. Well certain projects happen.

Mrs. Gibbons said especially when there's so many people involved in them; right?

Mr. Cisneros said and priorities change quite often. They change for us as well. If we need to address a problem we do and we'll spend the money where we need to address it in an emergency or an urgent issue.

Mr. Lammers asked historically what percentage of our capital budget do we typically spend?

Mr. Tran replied 51%.

Mr. Lammers said and with the changes that we need to make according to the rate sufficiency study, what is our target for how much we are going to spend?

Mr. Cisneros said I'll have to get back to you on that. I can give you a quick overview of the spreadsheet. I don't remember..... Michele might be able to tell us when she gets up here. I know that Barbara has looked at it and she may be up to speed with it. We have a spreadsheet that identifies that. I want to say that it's like 13 or 14. I don't remember exactly the number. It's 50% of whatever it is typically that we spend -- I mean what we budget. I can get back to you on that.

Chairman Fee said thank you.

Mr. Cisneros said Mr. Chairman the next item is an information presentation for the January 2022 Operating Results, Ms. Michele Harris will present this item. She'll actually present the last two items tonight.

Ms. Harris said thank you Mr. Cisneros, Chairman, Board Members, Mayor Hudson. I will present to you the financial operating results for January of '22. Some of the highlights for four months to date for fiscal year '22 are as follows. Year-to-date operating income increased $385,000. Capital contributions for the first four months of the fiscal year were greater by $421,000. Mainly due to the receipt of an MSBU funding for water. After the adjustment for the distribution to the city our January year-to-date increase in net position was a little over a million dollars. Operating days of cash is healthy, a little under 90 days. Recorded January operating revenues were greater than they were for the same month last year by $2 million.

At the end of January '21, so a year ago, there were several routes that couldn't be billed due to a system upgrade. When the problem was resolved the bills were issued, but wasn't billed until February. This created a timing delay for approximately $723,000 in revenue which weren't booked in January, but were booked in February. This all washed out at the end of February when

we did the year-to-date numbers. This will affect the upcoming slides because what I'm going to be doing is comparing this January's consumption and revenues to last year's so our revenues and consumption are going to look significantly higher than they really were.

Mr. Cisneros said Mrs. Gibbons actually asked about that so.

Ms. Harris asked do you want me to wait?

Mr. Cisneros said no keep going.

Ms. Harris said the impact....the reason why the last couple of cycles that billed at the end of the month it's going to greatly affect water, wastewater and electric systems since the county and FPUA counts are a large part of those routes.

Fiscal year '22 electric operating revenue less power cost were up 3% from last year while consumption remained flat compared last year. The cost of our purchase power had increased over $3.5 million about 30% when compared the first four months of last year. Fiscal year '22 water operating revenues increased 11% and consumption increased 9%. However, when I looked at the routes that were not billed last January that amounted to $321,000. So realistically our operating revenues would only be up about 5%. Wastewater operating revenues increased 10% and gallons billed increased 5%. With the same mindset when I looked at routes not billed last January that amounted to $189,000. So our operating revenues would also be up about 5% instead of the 10%. Gas operating revenue less gas cost increased 5% and consumption increased 7%. Gas contract sales have increased 17.5% percent and a new contract customer was established towards the end of last fiscal year. The cost for gas for the four month period has increased almost half a million dollars from last year so far.

Debt service coverage ratio is the ratio of the twelve month average of net available income to our current debt service for the twelve months ended January '22 our debt surface ratio is at 3.59. We were at 3.54 at the end of the fiscal year. Our bond covenants require that we maintain a minimum ratio of 1.25. This is for information only, but I will be glad to address any questions that you have.

Chairman Fee asked any questions of the board? No questions. Thank you.

Mr. Cisneros said Mr. Chairman the next item is an actual action item for the electric power cost adjustment for February of 2022. Michele Harris will present this item.

Ms. Harris said thank you again Mr. Cisneros, Chairman Fee, Board Members and Mayor. I'm here to provide an updated information on the status of the February power cost adjustment along with the updated 12 month projections through February of next year.

FPUA's cost of purchase power is recovered in part through customer billing. Power cost recovered that are in excess of $79.50 are accumulated as an over recovery or a rate stabilization fund. In order to retain sufficient funds to pay for our power cost we maintain a PCA reserve between $1 and $5 million dollars with excess funds going back to customer whenever possible.

The cost of purchase power from FMPA for the month of February was billed to FPUA at a blended rate of $93.86 per 1000 kilowatt hours. This was an increase of $9.12 when compared to the December billing. For the month of February FPUA experienced an over recovery of power cost from the customer of about $57,000 which increases the over recovery to about $1.5 million.

This chart tracks cumulative monthly balance of the PCA over recovery in relation to the approved PCA. We can see here the PCA levels going back two years of actuals and projections going forward for the next 12 months. The amount of the PCA is represented by the darker blue line which for the month of February was $18.00 per 1,000 kilowatt hours. The bars on top of the chart represent the level of the over recovery. The blue bars are the actual previous monthly balances and our goal is to maintain a PCA level above $1 million allowing for the fluctuation in pricing and having reserves to pay for the cost of power.

The orange bar show what's the projected over recovery is. Current forecasts with the recommended adjustment to the PCA through the end of the year will keep our reserves within the rate stabilization fund. These projections have been prepared by Raftelis Financial Consultants and are based on data forecasts that have been prepared by FMPA. Since the December forecast, FMPA's estimate of the cost of purchase power for the upcoming 12 months has increased 8.95%.

This graph presents a comparison of updated projections trending the power cost recovery through February 2023. In consideration of the board's concerted actions over the past few months the top end of the rate stabilization fund is showing to be a little over $5 million. Representing the top end of the rate stabilization fund at this higher level protects FPUA against extreme month-to-month rate increases. The gray line maintains the current PCA of $18 until October with a projected $15.00 decrease that would put the PCA at $3.00. The green line follows the same path through June allowing for a one-time decrease of $10 putting the PCA at $8 as we enter the summer months and through the fiscal year.

The middle line, the red line, takes a steadier path with slower and more gradual adjustments to the PCA beginning in May with a $2 reduction. In this model the pattern continues with reductions through September with the PCA of $8 on September 1st. The blue numbers across the bottom are the monthly PCA levels that go along with the recommended $2.00 decrease adjustments.

Last month it was recommended of staff to make no change to the PCA and watch as January and February updates were made available. Staff is recommending a $2 reduction to the PCA per

1000 kilowatt hours effective May 1st. We'll watch the situation on a continual basis and report monthly.

If you have any questions or comments, I will be happy to try to address them.

Chairman Fee asked any questions or comments of the board?

Mrs. Gibbons said I have a question for Javier. Where are our rates in comparison? I feel like we haven't seen the rate comparison in a while.

Mr. Cisneros said that's a good question. That's part of my notes for the director's section. We just received the bill comparison yesterday so just like the PCA we requested to change it to the first of the month. The bill comparison will be provided at the end of the month so that we have more than a day to prepare for the board. Michele mentioned that actually last night at the city commission I think we're close to being at the same level as FP&L for electric.

Ms. Harris said I did look at the number today. We ran the numbers and so on the FMEA chart where at a couple months ago we were really on the end I think we were the third highest. Then in January we went to 4th highest and now we're currently 5th highest. On that chart we're on the right side of that graph. As far as the local bill comparison that compares all the utilities that we do, we're slightly higher than FP&L right now.

Mr. Cisneros said we will bring that to next board meeting.

Mrs. Gibbons said I dislike we've done such a good job at trying to gain back some of our footing and it still doesn't look like we've done much. Like $1.5 million for me not that it's not good and I do like the way that this red line looks. You know, I think it's more -- it's less drastic and more palatable. I'm still concerned, I mean it's not like we're making this decision with $3 million sitting in the bank as an extra. It could take one month. If you look back to December or even September we're wiped again and then we have to be forced to make a doubly offensive number. It makes me nervous.

Mr. Cisneros said I think you make a good point. That's why the recommendation is small to reduce so we want to do small reductions and when we raise it we want to raise it one time. You get to where you need to be, but when you reduce it you want to reduce it in small increments as possible. So that's what we're recommending today. I think you're concern is very, very valid because the price for gas per dekatherm yesterday was at $5.70. It was pretty high. It's been that way for about the week. That just doesn't affect FPUA it affects all utilities across the nation and especially the electric utilities. FMPA has made some predictions that it will stabilize, but I think the Mayor probably put best it will stabilize higher not necessarily high. We'll get more information from FMPA about what that looks like at the next board meeting. Gas prices did -- they for the last week maybe even the last ten days they've been above the $5 a dekatherm which is $2.50 higher than what FMPA budgeted per dekatherm. That's a lot.

Mrs. Gibbons said yeah that's a lot.

Chairman Fee asked can you turn to the slide that has the rate stabilization fund chart on it? Looks kinda like this one.

Ms. Harris said oh that one, sorry.

Chairman Fee asked do you have the bottom one?

Ms. Harris said I don't have that on the slide, but I can definitely look at it.

Chairman Fee said okay. I'll just direct the Board Members to the bottom slide there where it says rate stabilization funds available. You have a bar graph and right now we're April and it shows the fund and it's slightly under $2 million dollars. Then it increases all the way through 2023. Does this chart take into account the reductions to the PCA? Or does this chart assume that we make no change?

Mr. Cisneros said so if I'm not mistaken I think Michele that chart follows the blue line above; right? The graph chart below follows the blue line above?

Ms. Harris said I don't know if I can answer that.

Mr. Cisneros said so we can get back to you on that Mr. Fee.

Mrs. Gibbons and Mayor Hudson said it looks like it does.

Chairman Fee said it looks like it does, but I can't tell if that is assuming. It doesn't assume we're making changes. Okay.

Mr. Cisneros said well, no. It does assume that you're making a $2 reduction each month for the next four months.

Mayor Hudson said because it goes down to $8.

Chairman Fee said so then it's taking into account there. Because I'm with Ms. Gibbons on this that if it's up to me the whole idea is to lower the PCA when it gets to the warmer months to help out our locals. When I think about the hottest months I'm looking at July, August, September and October. October and even though it's supposed to be Fall sometimes it's still pretty warm. I would prefer to leave it unchanged for at least another month and move you know another reduction in October of $2 to keep it stable so we can still recoup what we have lost. Because two months of bad pricing will wipe out what's left of that stabilization fund based on what we saw before.

Mrs. Gibbons said based on what's going on over in the Ukraine and Russia right now I feel like that is adding to the volatility. Maybe the last time we spoke about this that didn't happen. It's -- you know it's making things worse.

Mr. Cisneros said global demand does impact us for sure.

Chairman Fee said another question. Does -- when the fed raises rates, does that impact your pricing when we talk about the futures?

Mr. Cisneros said I don't think so, does it Craig? I don't think so.

Chairman Fee said that's something we don't really have to pay attention to very much. It's mainly the futures. But yeah, I'm feeling very hesitant to make any changes right now. As much as I want to give some relief to our customers, I think we're better served to hold firm for another month or two to see what happens. Because if we can, we can make a good reduction in July to catch up to where we think we're going to be. Right now I would prefer to stay where we are at.

Mr. Cisneros said we'll do whatever the board asks us to do to address this.

Mayor Hudson said right now we're only acting on whatever we do is just -- one month. We're not saying we're going to do this whole thing. I want to point that out and I'm okay to not do it -- but next time -- but the plan was always summer months when kids were home from school, when it's June, July and August and September are the hottest. I'm okay to wait one more month to decide, but then I want to look at. I'm willing to go along with it. I was willing to go ahead and reduce it. I'm willing to go along with not reducing it now, but looking at it again in a month.

Chairman Fee said I think that's a good idea. Any other comments?

Ms. Bennett said I agree also. Because if you keep fluctuating the rate payers price they will get upset and they're going to see that and then what....just look at what happened in October and then it went up in December and we had to raise it. I was hesitant as that time, but now I see, you know, how it helped and it impacted the rate of going up. I'm looking at October and December of '22 how it's going to...it's looking like it will be at $16. That's what they say is the height is and we're at $18.00, but what if something happens like Ms. Gibbons said over in Ukraine. I'm looking at Ukraine things are crazy now. Those things that are happening over there are really affecting the US so we got to look at that and we don't want the rate payers to be looking at oh my bill is this month and this month. Then next month it's something else and that hurts. Because you have people that are trying to make ends meet and they are looking at their bill and they are saying okay my utilities is this amount. Do I feed my children or do I pay the utility bill. You know they will pay the utility bill because they need that, but then that's taking from them. We need to look at that and let them stay on a budget that they can handle and not take it down, they say phew I got a relief and then all of a sudden it's jacked back up again. We need to think about that.

Mrs. Gibbons said I'd hate to do that in June.

Mrs. Bennett said yes, in June, July, I mean, the kids are home and the school board is not working. You know, you have to look at that.

Mr. Cisneros said right. I think the biggest -- the best approach here is if we do make a decrease that we make a small decrease. That way we can try to recover that over a couple of months rather than having to increase it back up again.

Mayor Hudson said it's easy to pivot.

Mr. Cisneros said yes it's easier to pivot. Because last year we went from negative $12 to plus $18 in about three months. That was a big change. We'll try to avoid that in the future by all means possible. Like I said, we'll try to make small changes if we can to stabilize the rate stabilization fund. Whatever the recommendation of the board is we will follow that, that direction.

Mayor Hudson said I'm okay with looking at it next month for sure, because next month we have to make the decision for the hot summer months.

Chairman Fee said exactly. That's where it gets critical. That's when everything is going -- people aren't complaining right now because it's nice. You can open the doors. When it hits that end of the June period, they will feel that high PCA at that point.

Mrs. Gibbons said I don't know about you, but I definitely see it in my bill. I just got my bill and it was almost $400 and I'm like oh my gosh.

Mr. Cisneros said the all-inclusive bill. Your water, wastewater, electric and garbage.

Mrs. Gibbons said aren't we lucky we only have to pay one bill.

Mayor Hudson said that's the basic fallacy of comparing to FP&L when people say our bills are so high. You are paying all these extra things and FP&L is only electric and it's so basic.

Mr. Cisneros said FPUA provides a single bill for all essential utilities that's right.

Chairman Fee said alright guess we move to the next.

Ms. Harris said you have to do –

Chairman Fee said we need a vote. I don't think we have to.

Attorney Koblegard said it's an agenda item I think you should vote on it.

Chairman Fee said Ms. Bennett you have a question?

Ms. Bennett said we're talking about the rates being changed. About 3 meetings ago I was asking about have we thought about putting our customers on a budget plan and we were thinking about that and you were supposed to get back to me on that.

Mr. Cisneros said I apologize if I didn't get back to you. We do have a budget billing program that quite a few of our customers are actually using so we do offer that service now. I know Ms. Martin gave me information. I don't know if you remember the number about 20%?

Ms. Harris said not enough customers use it. Not enough.

Mayor Hudson said didn't you just put it in the bill insert about the residential....I read my bill inserts.

Mrs. Gibbons said can you text me please.

Mr. Cisneros said we do have a budget billing program. We do have customers that use it, but it's a small percentage of customers that use it.

Ms. Bennett asked how are we advertising for that?

Mr. Cisneros said the bill insert and we have it on our web page. We can do more outreach.

Ms. Bennett said can we do it on Facebook and Instagram.

Mr. Cisneros said yes ma'am we can.

Chairman Fee said on counsels recommendation we need a motion on the PCA issue. Any board member care to make a motion.

A motion was made by Mrs. Gibbons, seconded by Ms. Bennett, to approve a no change in the Power Cost Adjustment (PCA) effective Feburary 2022.

Chairman Fee said we're on to the director's report.

Mr. Cisneros said yes sir Mr. Chairman, thank you Michele. Last night at the city commission the 2021 audit was approved by the city commission. So the 6% distribution as required for our charter will be processed within the next 60 days. The distribution to the city is going to be $6.524 million. I thought I'd make the Board aware of that. Also with the approval last night, the net asset of our system is officially valued at $220 million. The reason this is important is because at the next board meeting staff will prepare a resolution for the disposition of system property for the parcels on the west side of second street as you may recall we transferred -- looking to transfer that property over to the city for the Kings Landing project. Because this property has no official operational purpose and valued at less than 10% of our net asset as defined in our bond covenant, we are able to dispose of the property. The agenda item will include certificates from the Director of Utilities, our consultant engineer, an appraisal for the property and a resolution prepared by Mr. Koblegard, our bond counsel and rate consultant. That will come to the next board meeting.

Monday, June 20th is a holiday so the city will need to move its meeting to Tuesday. We will likely schedule our Board Meeting to 2:00 on that Tuesday. It's possible that we may cancel that meeting because June and July are typically slower months for the board.

As you may recall, I mentioned before July is the annual conference for FMEA and FMPA and we hope the board can attend that. As required by the charter, we have to have one meeting per month. I will keep you posted on that.

The FPUA lobby at 206 S. 6th Street will be open on April 18th. Two weeks from yesterday. We do expect traffic to be much different than pre-pandemic, but we do look forward to opening the doors. It's just time to open the doors.

We have a lot of important dates coming up related to the rate sufficiency recommendations that we discussed during the joint workshop. We are looking to schedule the one on one meetings which each of the board members and city commissioners. As you know, we can only do one board member at the time and one commissioner at the time. So we're going to pair up board members and commissioners. We will look to provide a little bit more of a concise review of the rate sufficiency recommendations required for the investment to relocate the wastewater plant.

At the next board meeting on April 19th we do expect to present for approval of the underwriters which is the first major step toward the debt refinancing and new debt issuance.

A couple of things for discussion are, I talked about it with the Mayor before the meeting is one of the things I'd like to consider is going from a paper distribution to an online distribution. I would like to just kind of put that up for discussion. Hopefully, the board can consider that as we move forward. It's quite a bit of work to get it out to you in timely fashion. If we do an online digital format we can get it to you right away. It does reduce some administrative time to prepare that for the FPUA board. We can look at solutions like giving you an iPad or a tablet of some sort you could dedicate to just using it for the agenda items. Something to consider. We will continue to do paper until we hear some feedback. I know the city does that for the entire city commission, is that right?

Mayor Hudson said we do and we've been doing it for quite a few years and it makes so much sense. Because it reduces paper and you don't have to have someone deliver our packet to us and you can look at the packet anytime you -- it really has a lot of advantages. It's not hard to learn. If I can learn it, everyone learn it.

Mr. Cisneros said one last item, Mr. Puppard, our FPUA fiber security officer is here to assist setting up your e-mail to access online. It's a two factor authentication process. I think Mr. Lammers is going to see him after the meeting. I know Mr. Fee and Ms. Gibbons if you have time....

Chairman Fee said I have the app, but I don't have instructions that go with the app.

Mr. Cisneros said he can help you this afternoon and that's all I have for the board today Mr. Chairman.

Chairman Fee said thank you any questions for the Director?

Mayor Hudson said I have one question. Will we do anything special for the 50th anniversary in terms of the board or anything like that or maybe we will do it at the FMEA conference. Is there anything planned special for that?

Mr. Cisneros said I can get back to you on that. I will discuss that with Jann.

Mayor Hudson said thanks.

Chairman Fee asked any Attorney's Report?

Attorney Koblegard said nothing legal, but I'll follow up on what the Mayor said. I was reading the charter again last night about our bond section relating to our bond issues. I noticed that the date is in there as to when FPUA came into existence. In 19 days we will celebrate our 50th anniversary.

Mayor Hudson said okay. What's the actual day?

Attorney Koblegard said April 24th I believe. I think that it's deserving of a real celebration because like it says on here 50 years of excellence and I would suggest that the board consider as a minimum inviting all the old board members that are still alive as a lot of them are in some fashion. Possibly invite the city commission, city manager, city clerk and the county commission. I think 50 years of this company's excellence deserves a true really elaborate special celebration and it's too late to do it by the 24th.

Mayor Hudson said I was going to say I don't think we can get people together.

Attorney Koblegard said you need time to plan this correctly. But, I would request the board to consider coming up with some ideas about how we can carry this out. It is so deserving.

Chairman Fee said good idea. We will have to put some consideration into that. I think 50 years is a nice notch on the old pole. That's -- wow.

Mayor Hudson said of course we've been providing services much longer under the auspices of the city.

Attorney Koblegard said we came into existence on our own name April 24, 1972.

Chairman Fee asked any other comments from the board? All right.

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

ATTEST:

SECRETRY

CHAIRMAN