MINUTES OF A REGULAR MEETING OF THE FORT PIERCE UTILITIES AUTHORITY, TUESDAY, MAY 3, 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, Barbara Mika, Director of Finance and Administrative Services; Bo Hutchinson, Director of Water/Wastewater Systems; Daniel Retherford, Director of Utility Support Services.

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

The Pledge of Allegiance was recited.

The roll was called and a quorum declared.

Chairman Fee asked has everyone had a chance to look at the agenda? I do want to add one extra item to Section G: New Business. I want to add an item to open the hearing to the public to make comments concerning the rate adjustments following the presentations. Does any other board member want to adjust the agenda accordingly or add anything else?

Mayor Hudson asked is that G-4?

Chairman Fee said yes that will be G-4.

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

A motion was made by Mr. Lammers, seconded by Ms. Bennett, and unanimously carried to approve the Minutes of the Regular Meeting of April 19, 2022.

Chairman Fee said ok we're moving on to comments from the public. If you want to discuss the issue concerning rates, we would ask for you to wait until the presentations are concluded and then when I open it up for comments please come up. You will have three minutes to discuss. Then we will close the public hearing on it and move on. Are there any other public comments regarding issues or items unrelated to the future rate adjustment discussion this afternoon? If so please come forward. You have three minutes to speak.

Mr. Charles Wilson said good afternoon Mr. Chairman, staff and members, my name is Charles Wilson I represent Protect our Waterways which is a registered non-profit in the State of Florida. I went to the meeting last night, the reason I rise is I want to congratulate you on last night's

meeting. The city commission made it very clear that the city commission was more than likely going to pass whatever rate increase that you ask for. So you have continued the momentum. The good news is that the momentum continues and we think that maybe in our lifetime after 20 years of delay we may be able to get that plant off its current location and that's a plus. I do not represent Aqualia, I do not represent a developer and I do not represent the FPUA. I simply represent my little tiny organization as a person from the outside can have a view on similar things that have been going on. I just want to tell you factually that I understand that sometimes when you need a car really bad, and you go buy the car sometimes you don't always have to have the best price to buy the car. You need the car and that's kind of where we are here. You are faced with a position of you don't want to lose the momentum and possibly not have the thing happen at all while you're waiting around trying to negotiate a better deal. I understand that. You have been given basically that choice after a whole bunch of time delaying is now hurry up and wait because the interest rate clock is ticking and you have a very big decision to make. I will say that you are not operating on completely accurate information. Unfortunately, because of the way the rules are, you are prevented from giving completely accurate information. It's sort of like having an argument with your spouse where you get to talk for the first three minutes and they talk for the next two hours and you don't get to talk again. So whatever it is they say you don't get a rebuttal. That's basically what people have been faced with because the staff controls the entire operation. One of the things that struck me last night was they said that the person they had given the first bid to -- there's actually three bids; there's not one. The company they gave the bid to had done 51 projects for the utilities authority. My question is if you have a fair and equitable bid process to make sure that the rate payers are getting the best that they can how does one win 51 bids in a row? Thank you.

Chairman Fee said thank you. Any other comments? Alright we will close the public comments and move on to the consent agenda. Are any items needing to be pulled? Is everybody comfortable with the consent agenda?

Mrs. Gibbons said I had one question that I brought up to Mr. Cisneros earlier about the paper statement fee for the paper statements and the prices going up with that. Obviously, we have to do this now, that's fine. I wanted to just kinda bring it up. I was saying maybe we needed to have a paper statement fee or either offer a discount to someone that signs up for auto pay or having their statements e-mailed to them. Something along those lines. Either incentivize or create a way to help get it covered. This is almost going up double. That was just something I kinda discussed with him earlier.

Mr. Cisneros said we are looking at some options in the future to help reduce that cost. You're right, it is increasing and there are alternatives that we can use to help mitigate some of those costs. Paperless is a great solution for that. I don't know what our percentage numbers are for paperless. It's probably – it could be higher for sure.

Mrs. Gibbons said right. Other than that, I move approval for the consent agenda. I don't have any other questions on that.

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

1. RFQu No. 22-53: Approve Budget Transfer Request and Specific Authorization No. MHC 22-66-03 for the Mechanical Integrity Testing of Deep Injection Well IW-2 at the FPUA Mainland Water Reclamation Facility with McNabb Hydrogeological Consulting, Inc., of Jupiter, Florida in an amount not to exceed $143,415. The initial term of this contract will begin upon written notice to proceed and end on final completion of the work and written acceptance by FDEP of the mechanical integrity testing report.
2. POA No. 13-76: Approve additional funding for the quality choice purchase of utility bill invoices and envelopes from Pitney Bowes, Inc., of Shelton, Connecticut, to increase the not-to-exceed amount from $45,000 to $75,000 annually.
3. POA No. 17-50: Approve the Sole Source Contract with Advanced Control Systems, Inc. (ACS), of Norcross, Georgia, in the amount of $194,745.00 for the Electric SCADA, Prism, and Video Wall Maintenance Support Agreement. The Contract will commence on May 1, 2022 and end on May 31, 2025.
4. RFP No. 22-05: Accept Proposal from and approve Contract for Roof Replacement at Manatee Observation and Education Center with Anglers Contracting Inc. of Fort Pierce, Florida, in an amount not to exceed $125,000. The Roof Replacement is $115,876.84 the additional funds of $9,123 (8% of contract amount) is contingency funds if additional work is needed once the existing roofing materials have been removed. This Contract will commence upon written Notice to Proceed and end upon final completion and acceptance by FPUA, contingent on receiving required Certificate(s) of Insurance.
5. ITB No. 20-35: Approve Amendment No. 1 to the Corrosion Inhibitor Contract with Carus LLC, of Peru, Illinois to increase the not to exceed contract amount by $17,568.68 from $51,554.92 to $69,123.20 annually and to allow for two additional one-year renewal options, contingent upon receipt of the required Certificate(s) of Insurance.

Chairman Fee said looks like we're moving on to new business.

Mr. Cisneros said thank you, Mr. Chairman. The first item this afternoon is the approval for an amendment to the utility work agreement with Florida Department of Transportation for the A1A north bridge project. Mr. Lugey Dawson, staff 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 the north causeway bridge replacement FDOT reimbursement supplemental agreement number one. On June 24, 2021, the Fort Pierce Utilities Authority entered into a utility work agreement with the Florida Department of Transportation

for the adjustment of water and wastewater utilities associated with the north causeway bridge replacement project. Per the agreement, the Florida Department of Transportation shall reimburse FPUA for the relocations/adjustment of abandonment of the water and wastewater utilities contained within the easements on the FPUA that were subordinated to facilitate their bridge replacement. As part of the required utility relocations, FPUA has to relocate the existing gravity sewer main under the Florida East Coast railroad via the jack and bore method. This crossing is more expensive than was initially estimated due to circumstances that are beyond FPUA's control. Amendment No. 1 will allow the FDOT to reimburse FPUA for this additional cost. Therefore, staff recommends approval of supplemental agreement number one and the subsequent budget transfers to allow the completion of the sewer main jack and bore under the FEC railroad. With that, I will be happy to answer any questions you may have.

Chairman Fee asked are there any questions of the board?

Mayor Hudson said I just want to clarify that you said this is all totally reimbursable?

Mr. Dawson said yes, ma'am.

Mayor Hudson said it has to be done.

Mr. Dawson said yes, ma'am.

Chairman Fee asked any other questions? Do we have a motion?

A motion was made by Mayor Hudson, seconded by Mrs. Gibbons, and unanimously carried to approve Amendment No. 1 to the Utility Work Agreement with the Florida Department of Transportation for supplemental funding in the amount of $847,830.00 increasing the reimbursable total from $500,000.00 to $1,347,830.00 and approving the associated project budget transfer of $847,830.00.

Mr. Cisneros said Mr. Chairman, the next item is an information presentation for the latest update on the wastewater plant relocation project and the proposed path moving forward. Staff reviewed this presentation with board members and commissioners individually over the past few weeks. Staff also presented this item last night at the city commission meeting. Bo Hutchinson, Director of Water/Wastewater Systems and Rachel Tennant, Sustainability Program Manager will present this item.

Chairman Fee said thank you. Before you start your presentation I was there at the meeting last night. I think staff did a very good job of trying to simplify a very complex plan for the board and the citizens. I was very pleased. I know we got inundated with a few questions that perhaps we weren't expecting, but that is good. Because now we know where we need to focus and supply

the additional information to those commissioners that need to know items concerning the grants and things of that nature. Overall the presentation was very well done. I'm looking forward to having seeing it a third time.

Mr. Cisneros said it's a lot of information to absorb so I think the more opportunity we get to discuss it with you I think it becomes more clear. It's a lot of information, Rachel.

Ms. Tennant said okay. Thank you very much Madam Mayor, Chairman Fee, and Board thank you for having us tonight to present this WRF relocation journey and plan again. We did present it last night and look forward to the opportunity to discuss with you again today. The plan here is to provide an overview of the relocation past and present with a look toward the future.

This is the largest project in FPUA's 50-year history and we are proud and grateful for the opportunity to share all of this information with you today. Before we begin, I would like to take a moment to orient us into today's growth and momentum. St. Lucie County is the fifth fastest growing county in Florida. What this means for us is system expansion for a growing city. It also means technological advances. Things like automated metering infrastructure or AMI which is common practice in utilities and something as you all know we're working toward bringing into ours. It also means looking at internet as something that is a public good or a public need rather than a private commodity and trying to bridge the digital divide with internet access.

At the same time, we have a wastewater plant that needs to be moved off of the Indian River lagoon. It needs to be moved for environmental reasons. A waterfront utility like ours risks things; floods from sea-level rise and natural disasters, things like hurricanes, and floods that come from big rain events. There's also regulatory pressure on us. The Florida Department of Environmental Protection has placed us -- our wastewater plant on a list of ten wastewater plants that are required to upgrade. For us that's a minimum of $16 million investment into a plant that we know we want to move. The Department of Environmental Protection also required us to give a plan for relocation, which could be a possible precursor to mandating the relocation and at the same time there's renewed interest in the waterfront property for development in Ft. Pierce.

The rest of this presentation will focus on the water reclamation facility or wastewater plant. We'll start with the history of the relocation process and the conversation so far and the investment. Then we'll get an update since the 2021 recommitment to move the wastewater plant. After that, we would like to share our research with you through a series of comparison slides. Mr. Hutchinson will walk you through the different options that we considered for moving the plant including cost models, treatment designs, time line alternatives, and some of the intangibles that are important for our local growing community like ours. From there, we will give you a brief time line and overview of the breadth of our communications with Aqualia and Protect our Waterways. This is in direct response to some of the concerns that we heard that FPUA has not been open and communicative with these two entities particularly Aqualia. We want to make sure everyone has the same information about the ways that we've been open and

communicating with these organizations over time. After that we'll conclude with a discussion of why the public model is the best model for our community.

One of the first questions that comes up when we talk about moving the wastewater plant is whether we're actually going to do it. That's because we've been talking about it and preparing for it for a very long time. It starts in 2004, historic growth in the city of Ft. Pierce led the FDEP necessity to move the wastewater plant off of the island. It was something we would have to do because we were growing so quickly. In 2006, we had a wastewater plant design using technologies that were the best at that time, but the city growth halted. In 2008, the recession also happened resulting in us tabling the plan. Just for information interest rates in December of 2008 were 6%. In 2024, there was an FPUA resolution expressing support for moving the WRF again and in 2016, again, the perceived high cost and a poor rate strategy for how to fund it resulted in again tabling the plan. In 2017, staff began developing an interlocal agreement with St. Lucie County for a regional plant hoping that maybe it could help curb some of the cost. Then in 2020, historic low interest rates and 2021, FPUA's bond debt began to mature allowing for a new low interest bond issuance leading us to the joint meeting in 2021 where the board and city commission again charged staff with relocating the WRF. There are two red asterisks on the slide. The point there is to show that even when we tabled the plan, staff continued to work with an eye toward moving the wastewater plant off of the island and on to Energy Lane the location where we're planning to place it. Doing that we -- when we replaced the pipes and the conveyance system we replaced them with bi-directional pipes. Which means we could go to east or west to the new location when it was time.

Not only have we been talking about this for a long time, but we've been investing in it. Without getting into the details you can see we've invested $26.3 million dollars in relocating the plant so far. Which includes the most recent expense of the 30% plant design. This design covers major treatment elements, the site layout, and the core and details of how our new plant will work. This does not include the expense of the bi-directional pipes that we been doing all along.

This leads us to the June 2021 update. The joint meeting between FPUA Board and City Commission led the staff was recommitted to moving the plant off of the island with an emphasis on...heavy emphasis on speed. Moving the wastewater plant off the island as quickly as possible and of course, cost and reliability. Next Mr. Hutchinson will provide you with an overview and a comparison of the different costs, treatment and time line and intangible options that we considered for relocating the WRF. Thank you.

Mr. Hutchinson said good afternoon Mr. Chairman and Members of the Board. Every conversation that has had about the relocation of the IWRF starts with how much is it going to cost and it ends with how we are going to move it. This conversation will not be any different.

The first path that we looked at was private lending. We understood at the time it would be a little bit more expensive than the public options; however, speed was of the essence and there

was an opportunity to potentially roll that over into public funding at a later date to reduce the interest rate and the model you are seeing here these are more current interest rates. When we start rolling the clock back a year or so they were significantly less expensive even on the private side. There were a couple of obstacles that we were bumping into there. Number one was our charter. There were concerns about items in our charter that would preclude us from any kind of long-term private borrowing. But also, if you -- if you have private loans and you also have public loans if there's a default situation, then the private loans take precedent over the public and that leads to more risk for the public loans, i.e., higher interest rates in the future. We also looked at potentially deferring the cost -- deferring the interest and the payments on those loans initially to give us a little more time to get the rate structure in place that we need without having a very steep rate increase. However, there's a cost to that. In this particular model when you add all of this up that adds $168 million dollars to that particular methodology.

During the course of this, actually it was Mr. Cisneros had said, hey, we can -- let's talk about adding this to the other bonding that we're looking to do. He made a few calls talked to our rate consultant and our bond council and here we are today. When we were at that particular point we were still looking at potentially deferring the principal and interest out to the end of the loan, again, to give us time to ramp the rates up slowly. However, again, even with the lower interest rate there's still a cost to that and in this particular model it's about $25 million dollars. So when you spread that over the course of a 30-year bond it's a very significant impact to the rates. Maybe not as much up front, but you end up actually having to raise the rates a little bit higher than you would have if you raised the rates earlier and they stay higher for the continuum forever, basically.

That leads us to staff's recommendation which is to bond all of the money that we need up front. This protects our future bond rating and also protects our future borrowing capability and of course it gives us the lowest cost. I would also like to point out that this slide is all about the bonding and the borrowing option for this. We are also proceeding with -- on a parallel path seeking grants to help us with this cost as well. Resilient Florida is a very good one. This is exactly the type of project they do. They have increased their funding this year to $500 million from $100 million. So we have a very good chance of getting some substantial funds to help offset any future rates. Also appropriations with our local delegates. We'll be in their offices most likely starting next month to start going through the process, getting them updated on everything we are doing, and start formulating our ask to go to Tallahassee. There's also opportunities in South Florida Water Management that we are exploring at this time.

In the very near future we will bring back some presentations probably with just our general update having to do with the time frame for the grants, some of the things that are important to make us eligible for those grants and a general outline to give everybody comfort as to what we are doing to get these grants.

Our design team evaluated ten different technologies to start with. We were able to short list it down to three. The one actually split into two. There were a couple of different ways to accomplish that densification goal. Ultimately our staff has selected the AquaNereda process. Coincidently, this is the same process that Aqualia was proposing as well. However, we're able to go directly to the vendor. Our design team has already been working with them as well. We effectively cut out the middle man. We're able to go right to it. So this gives us the lowest up front cost. The lowest capital cost for the first stage. Also, more importantly than that, is your operation and maintenance costs are significantly lower going forward. It gives you the lowest life cycle cost for the plant. This model is only 20 years, but when we're talking about utility you really -- your minimum window needs to be 50 years. When we're talking about an asset like this it really needs to be even longer. Technology is going to change. There's going to be upgrades that will need to happen you know 15 or 20 years down the road. Different environmental concerns. All that will happen. You really need to have that in your planning window and not narrow the window down too much.

I would like to point out in this, because this is public I know the board has heard this, but these costs that you are seeing here this is just for that primary treatment. That's just for the core of the plant. There are many other components that surround the core of this plant that will, of course, add additional funding to this. This was just for -- just for comparison sake.

Speed, as Miss Tennant pointed out, this was a very big factor in the directive to staff to get this moving as fast as we possibly could and our current path gets us there. It's the absolute fastest path to the relocation of that plant. We've already completed our procurement process. The agreement that we have in place with Haskell and Globaltech. It's basically structured to be seamless from the one phase going from the 30% to 60% and the 60% to actual construction. That's as fast as we can possibly do it. Interest rates are very important. They are going up daily. We will be able to begin construction on that as early as the first of the year. However, I will point out that many work activities have already begun. The land is almost cleared. It would be completely cleared right now except we got rained out. We will be back out there in another couple of weeks to finish that up as well. There's a survey that's complete not just a boundary, but also the topo which is very important when you start looking at the soils when you are putting very heavy concrete buildings on this site and also you have concerns about your water table when you're building a plant like this. The elevation of all of your structuring has to be determined early on to really get some kind of a cost. Otherwise you are just guessing at it.

The environmental assessment that needs to be done as an early work package we are looking for a consultant to handle that force as well. That needs to be done prior to creating the pond that we need to have the water to do the testing on the deep injection wells. Our deep injection well number 2 is currently or is very soon to be going through its mechanical integrity test prior to doing the actual flow testing of the well so that's proceeding as well. There's a zoning change needed for the property that we've already been in contact with the city on as well. We're going to try to push that forward as fast as we can as well.

When we talk about interest rates, we are literally in a race against time here. A very small number up on your screen, but is actually a very large number is 0.2 of percent per week. That's $200,000 per year on a payment that's happening per week. That makes the May 24th date when we can actually lock in our interest rate with the bond it makes that very, very important. For comparison sake when we go back to 2008 the first time that the new plant construction was tabled, the interest rates were 6%. They were higher for sure. Mr. Perona pointed out to us last night that there were also other factors involved which is very true as well, but that was definitely part of the decision matrix to table it at that time. Today we are looking at an interest rate somewhere around 3.5 percent. It's climbing, but that's our target rate for 2024.

There are other important considerations beyond just cost. On our current path, this path provides the FPUA board and the rate payers and the citizens of Ft. Pierce the most accountability and control over the project itself. The asset would be owned by FPUA. We would have our local hiring goals applied to that project, try to get many local vendors and contractors involved there as well, some skilled, some unskilled. There's a lot of work to be done. We would keep our skilled operators from the wastewater plant that we have now. They were super excited about having a state of the art plant instead of one built back in late 40s.

Timing we've talked about that. Staff's current path will get us to this goal line as fast as we possibly can. Future borrowing position is not impacted and of course FPUA is a nonprofit so any value that FPUA has stays in our community. Anytime that you install a -- any kind of a private entity in there, you have to add in the private shareholders in the accountability and control matrix there. It simply costs more money. That's just all there is to it.

There's other important considerations as well. Quality control. Quality control is paramount on projects like this. Your staff will build you a wastewater plant that will serve this community for generations. Corners can be cut on materials. Components can be selected based solely on the lowest upfront costs. Processes that protect our environment could be completely eliminated. That's simply not the right solution for our community.

I would like to take just a minute here to touch on the strength of our team that we've put together. First off Globaltech their headquarters are in Ft. Pierce. They've been on our continuing service contract for at least 15 years. They have done 56 design build projects for us over that time frame. They have definitely earned our trust as well. They are on a first name basis with the DEP and South Florida Water Management Regulation District which will be very important when we get into the permitting phase of this and we're trying to fast track that. We're trying to fast track everything. Hazen they are offering engineering support. Hazen has over 250 water and wastewater plant engineering designs in Florida over the last ten years alone. There's a vast amount of knowledge that is held in that design group. They also have a very strong grant management team. They a have a proven track record for helping municipalities like ours, handle financial issues like we're facing here today. We have lot of confidence we're going to get a decent amount of grants to keep those rates as low as possible. When we move on to Haskell

they have 24 total offices. They have 19 in the United States and five abroad. They have 70 Florida registered professional engineers on their staff alone. They have close to 5,500 projects completed. Over 2,500 of those were a collaborative delivery projects similar to progress design build that we're doing right now. That totals over $13 billion worth of work. This is a very important one 80% of their business is from repeat clients. Now that speaks volumes for a service company such as this. When the business model is as large as Haskell is, the reputation becomes as important as profits. You know if you Google a company, the first thing that pops up are the negatives and of course on a large company like that, that's massive. They won't even look down to see all the thousands of other successful -- oh, like, there's a mark on their reputation. They take that very seriously and actually all of the contractors in this list have a very impeccable reputation as well.

Almost 14,000 domestic contractors, vendors and in their vendor management system so this is going to become very important when we are dealing with the procurement issues. It's a simple fact that in today's age at the state of the union right now we are going to be facing those. By having such a vast list of vendors that they've worked with before and such, that allows us to open the net up more and potentially be able to you know even get some sharp pencils in an environment like this and possibly get bumped to the front of the list when we try to procure materials. We are planning on using other methodologies as well to try to combat the materials procurement problems. Some would be during the 60% design phase. We would try to authorize some what they call early work packages that might be some early procurement of something that's a long lead time item. That will be very very important going forward. Thank you.

Ms. Tennant said okay as a reminder the next two slides are a time line of the communications between FPUA, Aqualia and Protect our Waterways only as a point of information for you in response to some of the concerns that we had been hearing about FPUA being unwilling to communicate with or work with these outside entities. We just want everyone to have the same information and be on the same page about the ways that we have communicated over time.

The time line here only covers some of the higher level items. There are more communications that happened between the entities. We just pulled out some of the bigger ones for the purposes of the presentation. It begins on March 1, 2017 FPUA staff, Mr. Hutchinson gave Aqualia representatives and engineers a tour of the existing wastewater plant and discussed P-3 models. On March 17th, upon an FPUA reminder, Aqualia requested detailed information as a follow up from that tour. The information included location of the new site, preliminary sketches, influent flows, SCADA protocols, dimension of the wells and all O&M information for the existing plant. FPUA provided all of the requested information. On October 15, 2018 Aqualia requested additional detailed information about the deep injection wells. FPUA provided all the requested information two days later. On August 29, 2019 FPUA staff met with the Aqualia representative at the time, Mr. Richard Pinsky, to discuss the WRF path forward and progress so far. September 24, 2020 so there's a bit of a delay Aqualia submitted its first unsolicited bid. The unsolicited bid was a very broad overview of their qualifications in PowerPoint format. On September 29th, in

response to the first unsolicited bid, FPUA invited Aqualia to meet and requested an actual proposal for them to discuss the possibilities moving forward. On October 9th, Aqualia sent an updated unsolicited bid, but it was still a very broad review of the qualifications plus some 3D renderings of the architecture of the possible wastewater buildings. On March 23, 2021 so a step forward again, Aqualia requested again detailed information. This time it was a substantial request and required two responses from FPUA including all designs as yet conducted by FPUA and the contractors of the new WRF. FPUA provided all the requested information. On May 7th shortly after receiving that information, Aqualia submitted another unsolicited bid. It was similar to the previous bid, but with some added details still in a similar PowerPoint format. On June 15, 2021 FPUA staff, Mr. Hutchinson, provided a comprehensive P-3 overview and options presentation to the FPUA board. The FPUA board and City Commission were very intrigued by Aqualia's submission from May 7th. On June 22nd there was a joint meeting between FPUA Board and Commission solely to discuss Aqualia's unsolicited bid and Bo's presentation was in advance of that meeting so that everyone would have knowledge of the P-3 process. On July 31 and August 2, 2021, FPUA publicly announced the project to accept proposals on the web site and newspaper for public response. Aqualia did not respond. On November 18, 2021 FPUA again publically announced the project with amendments to accept proposals on the web site for public response. Aqualia did not respond. On March 17, 2022 FPUA staff, Mr. Hutchinson, and myself met with Charlie Wilson of Protect our Waterways Inc. who expressed concern about the development of the existing WRF site. On March 31, 2022 FPUA staff, Mr. Cisneros, and Mr. Hutchinson met with Ava Arniez from Aqualia. On April 20, 2022 Charlie Wilson of Protect our Waterways requested substantial detailed information again including all correspondence to or from key FPUA and city staff members, board members, commissioners and administrators that mention among other things Aqualia, unsolicited bids and anything relating to the WRF relocation which would include all design communications to date. This information is only provided to you so we are all on the same page about the level of communications that has occurred between the FPUA and these two organizations over the last five years.

To conclude, the public model gives us local choice. Local choice gives people, communities and the local government including our board and the city commission control. Utilities like ours that are owned by and accountable to the people they serve are driven by the needs and concerns of those people. Accountability is ensured at the ballot box. Business is conducted transparently and in the open much like these presentations that we are bringing to you today and this month and it's subject to local scrutiny.

The public model is also the not for profit model. Nonprofit operations like ours serve customers best and reinvest in the communities and not in shareholders. The value from our utility stays in our community. Revenues stay in the community and are invested in system improvements and utility reserves shared with local government or return to customer in the form of lower rates. Our hope and goal for this presentation and all of the presentations today is to provide you with all of the information that you need in order to confidently consider the rate sufficiency

recommendations and vote that will come before you today. Thank you and I think we can take questions now.

Chairman Fee asked any questions of the Board?

Mr. Lammers said so there's a lot there right. Where I would like to start is that joint session meeting between FPUA board and the city commission that happened before I was on the board. Can either one of you give me a feel for what the consensus was, the consensus opinion of Aqualia's role and moving the plant should be after that meeting took place?

Mr. Hutchinson said well I was at the meeting. There was no clear consensus as to what Aqualia's role was in the project. We were able to narrow down a few different items and basically at that point the city commission's opinion on it from what, from my opinion, was that it was speed. That was why Aqualia was there because Aqualia was saying that they could move it faster than anybody else.

Mr. Lammers said I see....and maybe this question is more to the board. If that was the main advantage for Aqualia, but now we're in the position to where they didn't submit anything for the RFP for the design build, correct?

Mr. Hutchinson said that's correct.

Mr. Lammers said and their paradigm that they operate from or their proposal that they wanted to submit was not design build, but was design, build, operate, maintain, and possibly finance as well. If we want to go back and consider that, and that's their main advantage, we're slowing down the process to consider them. That's kind of my perspective right now. I have a couple of other questions, but....

Chairman Fee said please continue if you have more questions.

Mr. Lammers said okay another question then if their main advantage is speed, then you know we go to an engineering project triangle right speed, cost, and quality. So if their main advantage is speed and they may have arguably lost that advantage at this point because they didn't submit the design build. Then from a cost and quality standpoint, what advantages or disadvantages might there be there?

Mr. Hutchinson said well you are absolutely right. Speed is basically off the table at this point. We are so far advanced of basically going out for an RFQ and RFP process again to you know to start from scratch, speed is right off the table. Staff's plan is definitely the fastest. Cost you know, we have not developed a full scope of our cost as of yet. So it's difficult to compare that and the numbers that Aqualia was given is just, I mean it's a verbal this is what we can do it for. There's no real explanation on what's included in that. Is that just the core plant cost? Or does that

include all the soft costs that goes with it. The builder's risk insurance and all that other stuff that's another typically another 20% on top of it. When we start talking about quality, the preliminary plan which was more of an aerial. You can look there are certain components that are not on that plan. For one specifically is deep injection well pumps. Their assumption was that all of the affluent would be converted to reuse and would be sold. That would be fantastic. We do have a customer for about a million and a half gallons per day right off the bat. That's at Treasure Coast Energy Center and actually that opens us up for grants from the South Florida Water Management District as well. So that was omitted and there were other parts that were omitted as well. It's really unclear, it's very difficult for us to compare. This was a very difficult exercise because of the limited amount of information that was provided.

Mr. Lammers said and to me it feels like we kinda have the tail wagging the dog a little bit here. This analysis should have been done as part of the proposals from every potential vendor and now we have selected a vendor, now we have another vendor coming in saying whoa whoa wait what about me. I want to have my opportunity as well and listen, my role as a board member is to give our community the best service at the best cost bottom line. I think we're on the path right now to do that. I have not seen anything thus far to dissuade me that we aren't on the right path.

Last thing, as far as this goes. When it comes to speed and rates and I'm really glad that we have refrained this as not FPUA verses Aqualia because I think that was kinda a narrative being pushed for a little while there. It's not FPUA verses Aqualia. It's a selected vendor verses a completely different process and method of implementation than we currently have in mind. Do we have any kind of number associated with the lost opportunity costs for not getting the rates as they are now? And what they probably will be in another year or two?

Mr. Hutchinson asked are you asking about the interest rate increase?

Mr. Lammers said right.

Mr. Hutchinson said well if you look at the trend that's happening now that we presented there it's 0.2 of a percent per week. Now we are on a very steep upswing. I mean it looks very exponential right now. Honestly, if I had a crystal ball that could predict that, I could probably -- I would probably would be in a different –

Mayor Hudson said wouldn't be here.

Mr. Hutchinson said I wouldn't be here. I'd be on a yacht somewhere, but all indications are from all of the professionals that we've consulted with our bond consultants, Mr. Hamilton, all of the trending that we are seeing is that they are going up. You look at when we first started talking about this back last summer – the middle of last summer interest rates were 2.25%. You know just that so we've come up over a percent just in the year and that's with everything that's

happening in our economy and the feds are keeping the rates artificially low to try to help people. But that's coming to an end it simply is. So we are again in a little bit of a race against time here to get that interest rate locked in.

Mr. Lammers said so I don't know how the rest of the board feels about it, but for me, personally, at this point, it's not a discussion of selected vendor verses Aqualia. For me it's a discussion of this is an investment. Is this an investment we want to continue to move forward with?

Chairman Fee asked any other questions of the board? I have a quick question for you Mr. Hutchinson. Mr. Charlie Wilson spoke at the podium at the beginning of the hearing today. He suggested that perhaps not all the information was provided to this board. Is there any information that we need to know about any other potential bidders out there that would dissuade our decision today about raising rates and stopping the process? Is there anything else that we need to know?

Mr. Hutchinson said no. Staff has been very transparent with this entire process. We have invited the entire board to sit with us one on one where we can really go through the nitty-gritty details of all of this. All of the minutes from all of our workshops that we've had are all published as well. Everything has been completely out in the open and I believe -- I feel that staff has answered every question that the board has brought to us.

Chairman Fee said Mr. Wilson mentioned there were three other bidders potentially. Now, why were those other bids not pursued? Just summarize for us if you could.

Mr. Hutchinson said so first off they weren't bidders. It was more of a qualification process. This was put out. It was advertised. We had very little response which personally I was a little surprised about that, but we have a continuing service contract that we have basically prequalified design build firms. So we spoke with three different firms. We went through an interview process. We answered all the questions for the CCNA and the Globaltech-Haskell joint venture was selected based on that. We talked to CDM. CDM is definitely able to handle a project like this. The time frame in which they were able to do it didn't really meet our time frame as well. The other one we also talked to what was going to be a joint venture between TLC Diversified and Kennelly Horn. Kennelly Horn and TLC are very able to do this project as well. They are actually doing the plant up in Vero Beach. There was a few other factors there that kind of led us more towards the – I'm going to call it the strength of the contractor itself. I mentioned some of the statistics on Haskell and knowing the procurement issues that we're already starting at that time. That was really the very clear advantage with our selection.

Chairman Fee said if I recall correctly I think we even had a presentation about these other qualified firms that you went through line item and which ones you like. That was a couple of meetings ago. If another citizen wants to go and look at that, that's certainly online for them to

look at it. I don't think there's any truth to the fact that there's no information that wasn't provided us. At least that's what I'm hearing from you.

Can we back up and talk about last night's meeting just for a brief moment. There was a question that I think came from Commissioner Curtis Johnson concerning the time that our plan here concerning the 30% build then we get to 60% and I think we kind of struggled on what was his point. It was kinda hard to figure out where he was heading with it. As I understand it, right now we have been using UA funds to fund this endeavor all the way through 30% design build process. Correct?

Mr. Hutchinson said that's correct.

Mr. Cisneros said yes sir.

Chairman Fee said and now we're moving on to the 60% design build and now we're at a point where, okay we can raise rates now or we can wait until what the 60% design build looks like and get a more accurate assessment what we're going to raise the rates to as a possibility true?

Mr. Hutchinson said that is true. I will remind, again.

Chairman Fee said exactly I know exactly where you are going with that. In a normal environment if the circumstances were we had a stable interest rate situation, or a declining interest rate environment then we would be better suited to wait until we get to that 60% design build before we raise rates, but the risk to our rate payers is just too much with such as exponent increase to where we're looking at and your $200,000 per week is a lot for the rate payers, I think to digest to get this project on. So I think we're really minimizing our risk to our rate payers and our citizens by locking in the interest rate. Which now comes to the big question. What do we have to do to lock in the interest rate?

Mr. Cisneros said after today's meeting, if the resolutions are approved for the rate adjustments, then the next step would be the May 16th city commission meeting for a vote to approve the rate adjustments. After the 16th, the 17th at the FPUA board meeting the following day, we would adopt a bond resolution and then they would go out and the financial team would go out and market our bond so we can price in. The idea there would be to lock in the rate by the 24th.

Chairman Fee said so then it's very important that we have the rates in place because we won't qualify for the bond now. I think that's maybe what he might have been looking for as a way of an answer, but it was kind of difficult. You know from my mind it's like well you know why don't we wait until we get that 60%. But, we would be losing all of the benefit of this low-interest rate environment if we wait. Speed aside the speed is really because the rates are going up so quickly. We would love to take a pause and really look at things, but then we're going to get back to a 6% back in 2008 then we're going to be paying what $308 million for a plant that cost $100 million.

That's not fair for the next generation because I'm 46 years old right now and by the time we get done paying off this bond I will be in my late 60s. I don't think as we get older we want to be faced with more increases because we didn't price this thing out right. We want to be able to leave the next generation in a situation where they can actually lower interest rates if we can't lower them sooner because of the impact of grants if the grants come in at a very very high amount, which I think would be needed. I know your guys will strive for that because that's the goal. You know get as much money as we can to minimize the effect to the rate payers. Any other comments or questions?

Mayor Hudson said I would like to add on to that. This is a unique time. If we were doing this a year ago we wouldn't be in that -- in this particular situation.

Chairman Fee said right.

Mayor Hudson said because we would be able to have the time to do that. But right now because of situations beyond our control, with the way the world is, that is why we are in this particular situation. I also want to say that we're very mindful of what the rate payer has to pay and what the rate payer has – what we all have to pay in addition to this. In addition to this. This is not something this board, I don't think -- I will speak for myself will take lightly and I think that it's important to point out that the -- we're moving the wastewater treatment plant after, what was it 18 years, 18 years of understanding that when we first -- and I wasn't around in terms of being Mayor, but I was here in Ft. Pierce when it was first discussed it was discussed as this is something that we ought to do. We know that we ought to do this something that is probably is environmentally responsible. We need – and also – we have...there's a beautiful piece of property right next to it that could be developed, but won't be developed until this wastewater treatment plant. That would be a great economic boom to the City of Ft. Pierce. It's a big benefit to the City of Ft. Pierce. It took us this long and then all of a sudden the environmental responsibility became much more intense. Because of all the focus on the lagoon and also the regulatory agencies were -- are now saying they don't want -- they don't want this kind of operation on the lagoon. So if we don't -- if we don't do what we need to do, we're going to be made to do what we have to do and once we're made to do something the control of the costs is out of our hands and so I think that's -- I think it's both a threat and also it's a benefit. Because it will be a benefit to all of the citizens to get that off the island because we will have -- we will have an economic opportunity there. Big economic opportunity for that particular piece of property and beyond. When that -- we were trying to figure out when that plant was first started. We think it was like World War II, post-World War II.

Mr. Hutchinson said I think 1945.

Mr. Cisneros said I think the original site I think was used for the amphibious base.

Mayor Hudson said the Navy. The Navy started -- it's all the Navy's fault. They put it on the island and at that time nobody wanted to live on the island because of mosquitoes, and because of now I know no see'ums and so that – but now it's a very – so the land value is very desirable. We're also talking -- we're talking about something that's environmentally responsible that we have to do that we're going to be made to do if we don't do it ourselves and we're also talking about a benefit to the City of Ft. Pierce.

Chairman Fee said there will be a long-term benefit for the city and future generations of our residents.

Mr. Hutchinson said and it's vulnerable to storms. Sorry I'm probably out of order just butting in there, but.....

Mayor Hudson said and the storms are getting worst they say.

Mr. Hutchinson said the storms are getting worse. At least the news coverage on the storms are getting worse that's for sure. Right, but the reality is if we had a larger storm something similar to what we did in 2004 where we had this massive storm surge, but instead of it coming in as Cat 2 if that came in as a Cat 5 we'd have big problems at that plant. That is simply at FDEP, yeah that's great they want us to do it. They're going to make us do it, but if that happens, and that could happen this year, we're facing hurricane season again this year and we have got to get moving in the right direction here or it is going to bite us. It's going to bite this board, it's going to bit the staff, it's going to bite the citizens, and it's going to bite the city commission.

Mr. Cisneros said Mayor Hudson I think all the things.....

Chairman Fee said let Mrs. Gibbons go first she's ready.

Mr. Cisneros said go ahead.

Mrs. Gibbons said I had a few things to add on as well. Going back to the unsolicited bid part of it. I feel as though that was not transparent at all compared what we have the path we've gone down. I know that you know we have repeated now a couple of times saying that we haven't had the time to really look at things, but over the last two weeks, I have, as you guys know, have become very near and dear to this project and I feel as though we have really taken a hard look at things. Thankfully, you have some amazing people underneath you so that you could have spent these last eight months really focusing on gathering all of this data.

Chairman Fee said very good point.

Mrs. Gibbons said so I feel as though we have spent a lot of time and we have dug into this very deeply and I trust what you have brought up and I believe that we are down the right path. When

we're talking about rates I know everybody keeps saying that 0.2%, but let's say it's at 1% then we're at a million dollars right. So now it's like raking it up. I just – I don't know that I would want to wait further and pay more both ways; right the cost of goods going up as well as the percentage rate. It could be another ten years before we have an opportunity to do this and by then I feel the DEP is really going to be – the clock is ticking it won't come around.

I did want to touch on one thing. I did watch last night as well. My poor daughter had to watch it with me. The one part that I wanted to bring up too was the fact that the DEP is making us do this. That does open the door for more grants from what I understood; right? So that -- us showing that we're making this progress and that we're pushing forward in this direction also raises a little eyebrow for them to be able to help support us by helping us do it and when they make us do it, I'm not sure how all of that or if there's going to be that $500 million bucket or what's going to be available out there.

The other thing I wanted to bring up you touched briefly on the county and I think that by us doing this, and by us keeping it in house where things are more transparent and that its local community that's feeding the local community that they will be more apt to want to join us as well. So hopefully, that's going to happen.

Chairman Fee said Mr. Koblegard do you have something to add?

Mr. Koblegard said Mr. Chairman the question about whether or not the UA may have been holding back something from the Board in relation to Aqualia. I can say from my knowledge, the answer is absolutely not. Now the procedure that we've gone through in selecting Globaltech-Haskell that is set out in Florida statutes. There's a requirement in this case I think we're a category five which means anything over $4 million dollars has to be advertised. It could not go straight to our continuing contracts. We did advertise it. We set out the statute in the advertisement. We got no responses. Based on that, we turned back to our continuing contracts and we followed procedure in the section in Chapter 255 which is the statute I'm talking about. There's a section that deals with design build projects and there's a procedure that you have to go through and I've studied this as we've gone along and we followed it to a T. We've done nothing other than I guess I could say do it the right way and here we are today.

Chairman Fee asked any other comments?

Mr. Cisneros said Mr. Chairman I was just going to follow up on what the Mayor was talking about. Mayor I think you were talking about risk. What we're doing here is minimizing risk and some of those are actually directly related to Madam Vice Chair. We have about a $16 million dollar investment that we are required to do for the existing plant. We have been able to postpone that with DEP because we're working on relocating the plant. So all of these are reducing our risk. That $16 million dollar investment to upgrade the existing plant we'd rather take that money and put it into the new plant. Because even after we invested into the existing

plant, there's -- we don't have any control over when they force us to move it. We're just trying to minimize that risk and I think that directly relates to cost for our customers.

Mrs. Gibbons said I want to add one more thing. Sorry I have one more thing I want to just bring up. All of the companies that we are using I just wanted to make sure that there's the RFQ, RFP process out there that we've listed all the requirements that we need to have for those companies for those firms that are involved in these types of deals that they have to meet and all of these companies that we have working with us have met those. That's one thing and I'm not saying yes or no whoever would or wouldn't, but this list is very extensive and I would be happy to share it. It's about 50 pages. There's a lot that goes into this process. Selecting the firms that we have helping us do this as well.

Mr. Cisneros said thank you.

Mayor Hudson said Mr. Chairman, also the fact that we are an entity that's covered by Sunshine and the public records law and everything that we do is transparent. So, anybody -- any company who is interested in doing business with us can watch any of our meetings, request any of our documents, see anything that we do and so that is a transparent way that we have to do business and I'm glad we do business because we want our rate payers to know everything we do and why we do it. We don't want to hide anything from our rate payers and I'm glad you asked those questions. Another thing that I would like to also add -- another thing that came up last night is I think it was Commissioner Curtis Johnson was very interested in helping with the grant process once we get to that point, with elected officials, or state official, whatever we can do because in -- in his role and my role, we interact with legislators because of our home rule advocacy with the Florida League of Cities. So we know them and we want to -- want to keep -- we want to keep our elected officials informed so that they know what's going on and what we're doing and what kind of help we're going to need because they can be big allies for us.

Mr. Cisneros said thank you Madam Mayor. Actually that was a good point that Commissioner Johnson, Curtis Johnson mentioned last night. Actually, what I would like to do is also take the opportunity to work with the board and the commission to partner with us to go to talk to our legislative folks so that we can all campaign or be champions for those grants. I think that would just -- strength in numbers would be really important for us to be able to do that.

Mayor Hudson said we all should be champions for this. Yes!

Mr. Cisneros said that's right. It's a pretty big opportunity. Pretty big -- the more we're with them the more they will advocate for us. The elected officials at the state level. Just be prepared because we'll do that with every board member.

Mayor Hudson said they are all very big advocates for protecting the lagoon. Everybody's onboard with that.

Mr. Cisneros said and I think I mentioned it before Mr. Hutchinson and Mr. Rutherford, Mr. Hutchinson and I went to Tallahassee earlier this year. The first thing that the Representative Trabulsey and Senator Harrell wanted to know. They wanted know what's going on the wastewater plant. So we have some champions already there. We just have to keep them in loop and then work with them closely.

Ms. Bennett said also what we need to keep in mind, too is, we need to look at our economy and how things are escalating with the cost in food and we're dealing with Ukraine and this war. That the rates are going to go up and we don't want our rate payers to take the bulk of this expense at a later date because we waited. We need to do something now lock it in and get things going so that we are concerned about what we are paying, because these rates – I'm just looking at gas, I'm looking at food, everything is going up and it's going up daily and we don't know what's going to happen June 1st. If we lose that window then we've lost it and then the prices go up and then we are stuck with $300 million dollar plant when we could have got it for $180. We're doing disjustice to our rate payers. We need to think about who's going to pay for this and how much are they going to pay? I'm a rate payer as well because I have Fort Pierce Utilities and I don't want my grandchildren to have to pay for something that I made a mistake on. So we need to look at that and think about that.

Chairman Fee said one more comment about Commissioner Curtis Johnson. If we could have our grant writer writing team put together maybe a memorandum to describe to him how we are going to attack these potential grants. I want to ensure him that we are going to proceed very aggressively with these grants. I don't think there's any question that we wouldn't proceed aggressively. We need to do everything we can through that process to help all the citizens.

Mr. Hutchinson said I believe we've already done that Rachel. We've already reached out.

Ms. Tennant said yes, we reached out to team today and we're preparing a comprehensive document so that we can see, all of us can see, the timelines as well as the different avenues for funding and what are the requirements for each of those different funding opportunities including who has to be the applicant, what kinds of information are they likely to need so that we can start getting a head start. I'm pulling that information together and avoid the scramble of needing to put applications together in a short period of time. So we're all ramping up.

Chairman Fee said excellent and one of the other things I think we kind of all understand is that in order to really be successful with these grants, we've got to have the plan put together for the grants. Anything that where we don't have the plan all put together our chances of getting the money is probably reduced.

Mayor Hudson said remember that show already turn.

Chairman Fee that's a nice analogy there we go show everybody they want to see it. We're just not there yet at 30% we're going to be there pretty close afterwards. Any other comments before we move on to the next item.

Mayor Hudson said one more thing Mr. Chairman. Another thing that we talked about last night was having keeping the commission better informed. This is always -- this is work in progress all the time. Because we tend to get in our silos and do our thing and there's got to be a much closer relationship between this board and the city commission and between the staff -- the two staffs. Because we're going to be working as partners and we should be working as partners anyway, but we're going to be working closely as partners on this project.

Mr. Chairman said if I may, Mr. Koblegard. There's no Sunshine violation if I was to speak to one of commissioners correct?

Mr. Koblegard said no.

Mr. Chairman said there's two separate boards. They have two commissioners and there's one of us that could be there.

Mr. Koblegard said as long as it's not the Mayor.

Mayor Hudson said I violate Sunshine if I talk to my fellow commissioners and if I talk to you. I'm just out here alone.

Chairman Fee said on an island.

Mayor Hudson said it's okay.

Chairman Fee said thanks for the clarity. Alright let's move on to item number 3.

Mr. Cisneros said thank you, Mr. Chairman. The next item information presentation for the proposed rate sufficiency recommendations. These recommendations were presented in great detail at the March 22nd Joint Workshop. Based on the feedback from the Board Members and the City Commission, we have prepared a presentation that we believe provides you with can how these recommendations will impact our community and rate payers. Rachel Tennant and Michele Harris will present this item.

Ms. Tennant said thank you Mr. Cisneros. Okay so step one was the story of the path of the relocation of our wastewater plant. Step two is a more in depth discussion about the impact of paying for it. This is something we will have to pay for and because we are a utility that offers multiple utility services it can be challenging to talk about how it will affect each of us differently.

So this presentation is an attempt to pull that back a little bit and make it as clear and accessible as possible so that we can all understand what it is we are talking about with these different rate sufficiency recommendations that we need in order to move forward.

I will not go through this slide again, but it is here as a little reminder that this applies here too. The momentum that exists when we talk about whether or not to move the wastewater plant exists when we talk about moving forward with the rate sufficiency recommendations. We're in a growing community. We do have to look at things like system expansion, technological advances, digital divide and internet access. These are also projects that we need to fund and we have a wastewater plant that needs to be moved off of the Indian River lagoon. This also needs to be funded.

This presentation will begin with high-level of review of FPUA's positive fiscal position today. We talked about some of these things in the Q&A from the previous presentation. Then a review of the funding needs. This is really just a highlight of the projects we are trying to fund with the series 2022 bond that we'll talk about today. Also a review of the funding opportunities. There are parallel paths here. The first one is the series 2022 bond. This is one that requires the rate sufficiency recommendations. We need to be able to show that we can pay back a bond before they will even issue it. At the same time, we are pursuing grants and appropriations. Then we will look at the rate sufficiency recommendations in detail with sample bills. The sample bills are modeled after our bills. So they will look just like one of our bills and we'll take a look at different types of customers. All utility customers, water and wastewater only, customers that have electric and water, but no gas and wastewater. There is four of them and they all use their utilities at different rates. So we will be able to see what might their bill look like come the end of October vs. today. Then we will look at a schedule. Then after this, Ms. Barbara Mika will talk more about the bond itself and I think the bigger financial impacts here, yes okay.

Ms. Harris said probably during the resolution time.

Ms. Tennant said so let's begin. Today's positive fiscal position. FPUA has a very strong bond portfolio today. We are rated A+ with Fitch and A with S&P. We also have a strong and growing grant portfolio. When we talk about procuring grants for this project, we're talking from a position of already managing millions of dollars of grants. Alone right now, we have $8.2 million dollars in awarded and/or active grants for various needs. This includes projects for sewer lining, septic to sewer conversion and seagrass restoration which a little plug is hopefully starting this month. We're also building a team internally of FPUA grant writers and administrators. I've been working on grants for something like 12 years. We're also building grant managers as we process these $8.2 million worth of grants we're running now. We're coming together to organize ourselves so that we can take on many more millions of dollars of grants to help us pay for the projects that we are pursuing now.

Funding is needed for the healthy operations of existing utilities. This is always true. In our case, we also have aging infrastructure and a growing community. So we're looking at healthy operations as well as expansion. We're looking at expansion to accommodate projected growth because, as the reminder, St. Lucie County is the 5th fastest growing county in Florida. I think all of us knows and feels the impacts of this growth every day. We also need funding to relocate the wastewater plant.

There are two primary opportunities that we are pursuing in parallel right now. The first one is the series 2022 bond. Which has a very low interest rate. We're looking at originally around 3.5%, but as we were saying earlier it is climbing every day. The series 2022 bond includes system expansion for water, wastewater, gas and FPUAnet. Also, the Advanced Meter Infrastructure, the AMI software and hardware that we're putting in to bring our utilities a little more up to speed with the way a lot of utilities operate today. These are part of the series 2022 bond. We're also talking about the wastewater plant relocation and putting the wastewater plant relocation expense in the series 2022 bond because of its very low interest rate. In parallel, we are pursuing grants and appropriation opportunities. We're looking at legislative appropriations, potential state or federal funds. The South Florida Water Management Districts, the application cycle for that starts in December and Resilient Florida, the application cycle for that starts in July. For the most part, we've been talking about appropriate pursuing grants and appropriations for the wastewater plant because we've been talking about the wastewater plant, but I can also tell you that we are looking at grants and appropriations for our other projects. Our other infrastructure projects which include for example FPUAnet.

These are the rate sufficiency recommendations provided to us in order for us to receive the series 2022 bond. As reminder, we need to receive these rates in order to be approved for the series 2022 bond so that we can show that we could pay it back. In July, we're looking at a 5% electric base, gas base, water and wastewater. To include the wastewater plant it's an additional 5% on water and wastewater. The electric base and gas base is pertaining to way that we bill for electric and gas. There's a base fee and then we also have the PGA and the PCA. Those things are not included in 5% increase. So you'll see when we go through the customer bills that what it ends up being is something like 1.5 or 2% increase on your actual electric service bill not 5%.

For October of 2022 it's an additional 4.53% for the electric base and the gas base. An additional 10% each for water and wastewater to include the wastewater plant relocation. So what we really want to know is how these percentages will affect our customer bills. It can be very difficult to take those numbers and put them into bills because we're talking about four different services that this utility provides. So what we're going to do first is look at the average all utility customer. That's one customer average all utility who uses 1,000 kilowatt hours of electric, 13ccf of natural gas and 6,000 gallons of water and wastewater. We're providing this slide largely because it's the number and the example customer that we've been using all along to talk about this. But I would ask you to also remember after that we're going to go through four different customers who are

not this customer and you'll see there are varied usages, varied services provided. Not everybody most people are not this guy with 1,000 kilowatt hours, 13ccf and 6,000 gallons. This what we been using all along so we'll start there and then we'll move forward into the sample bills.

So the average all utility customer, a 5% increase on electric is $1.86 in July and $1.77 in October. Five percent on gas is $1.36 in July and $1.32 in October. For water and wastewater, it's 5% and 5%. We've broken them out just to show the difference between sufficiency and including the WRF, but you'll see that the resolutions are combined. It's 10% and 10%.

So for water, 5% rate sufficiency, this is the expansion projects and the infrastructure maintenance. It's $1.89 in July and $1.80 in October. To include the wastewater plant it's an additional $1.96 in July and $2.44 in October.

On wastewater for sufficiency only, which is the expansion and maintenance of our infrastructure, it's $2.55 in July and $2.45 in October. To include the wastewater plant is an additional $2.55 in July and $3.18 in October.

In total, this particular customer with that particular usage and all four utilities, would see an increase of $12.17 in July and $12.96 in October for a total of $25.13. The percentages for that on that persons bill for rate sufficiency only, which is the expansion and the infrastructure maintenance is 5.82% on their bill. If we include the WRF it's a 9.74% increase on their bill.

So now I'm going to move forward with the example bills and you'll see even those percentages change, because when you don't have all four utility services, the percentages for -- if you don't have gas you won't see 5% increase there your bill isn't effected by that etc. So I'm going to move over there.

Ms. Harris said if I could just interject for one moment. These numbers that are represented on this slide are exactly what was in the bill inserts. This is just a little bit more broken out between rate sufficiency and the moving of the plant, but what all the customers were notified of is the $12.17 increase in July and the $12.96 in October. So that is something that everyone has already had the information for. This is just a little bit deeper dive into it.

Mayor Hudson said actually $12.97.

Ms. Harris said it's is $12.97.

Ms. Tennant said that's my rounding Michele.

Ms. Harris said yup. For the penny and it's about $25.14 in total from now until October, just wanted to make that clear. Sorry go ahead.

Ms. Tennant said okay. So bear with me. Oh....okay before we get into the customer bills this is a graphic of the increases. So that average customer their total bill is about $258. Without the wastewater plant, the center column there, the increase is the July in orange and October is blue.

With the wastewater plant, the orange in July and the blue is October. This is just to give sort of a visual of the impact in comparison to that person's all utility bill at those levels.

Okay so the sample bills, these are the four bills that we're looking at. We've got a multifamily building. This is one of two units. A little bit over 1600 square feet built in 1984. A house 1662 square feet, 3 bed/2 bath from 1959. This one has a gas generator and has installed a lot of efficiencies in their home. So they are using less electric. We have a 2400 square foot house that's a 3 bed/2 bath built in 1972. That one is two stories and a pool and we have 1762 square foot house that's 3 bed/2 bath built in 1962 with a pool. The different houses have different services. You will see that as well. So these are the four we're about to go through.

Let me orient you. The top yellow line is the home that we're looking at, 1620 square feet a multifamily building. This is one of two units built in 1984. On the left, we have their usage for this particular bill, 609 kilowatt hours, 3,000 gallons of water. They are an electric and water customer only. Their electric impact is $2.59, their water impact will be $6.16 and their cumulative impact is $8.74 or 7.4%. Moving on the next house. This home has all four utilities, electric at 441 kilowatt hours, gas at 7.9ccf and water and wastewater at 3,000 gallons. Their electric impact the impact that I'm reading to you on the right is the impact for including the wastewater plant between both July and October. So this is their full impact on this bill would be $2.05 for electric, $2.47 for gas, $6.15 for water and $7.07 for wastewater. The total cumulative increase would be $17.75 or 11.2%. What we're try to show here is the varied impact when you have different utilities services. This home is only electric and water, but you can see there's a very substantial water use, 17,000 gallons is on the higher very higher end for a residential home. They also using about 1,700kwh of electric. Their electric impact will be $6.95, their water impact will be $20.65 for cumulative impact of $27.60, but the percent is 8.2%. Largely the increase of $27.60 is because of the significant water use here. And the fourth home is an electric, water and wastewater home 1,229kwh and 4,000 gallons of water and wastewater. Their electric impact will be $5.09, their water impact $7.05 and their wastewater impact $8.30. The cumulative impact to their bill for approving the rates to move the wastewater plant and rate sufficiency would be $20.44, for an 8.2%.

The schedule for this process begins today. This is our public hearing for rate recommendations to afford getting the series 2022 bond for rate sufficiency and moving the wastewater plant. May 16th is the City of Ft. Pierce hearing for rate recommendations where the City of Ft. Pierce commissioners will vote on the rates as well. If this is approved May 3rd and May 16th we will come back to the FPUA board on May 17th to adopt the bond resolution. May 24th is most important date for us. That's when we can lock in the interest rate to move forward with the series 2022 bond and moving the wastewater plant. Pre-closing and closing would be early June.

These are the resolutions that will be for your consideration. Ms. Barbara Mika will be presenting more about these resolutions. This presentation has been for information only. We're happy to take any questions you may have.

Chairman Fee asked any questions of the board?

Mayor Hudson said I have...I just want to say that all those dates when that slide all are public hearings.

Mr. Cisneros said May 3rd, May 16th, May 17th are public hearings yes ma'am.

Mayor Hudson said right, I just want to make sure that that is because there is a town hall meetings, you're probably going to talk about that which are going to be held at Means Court Center, but there are for every time this is considered they're public hearings.

Mr. Cisneros said yes, ma'am.

Chairman Fee asked any other questions of the board.

Mr. Lammers said I have a question. I just have a comment. When we were first presented with these possible rate increases at the joint workshop that we had, about a month ago now....around about I was -- I was past concern. I was actually kind of upset to see that you know I've only been on the board less than a year and I'm being asked to raise rates like this. That's exactly the opposite of what I joined the board for. So I made the comment at that time, look, we have so many things going on trying to move the wastewater plant. We have a certain amount of utility expansion that we're trying to do. We're already the majority way through the AMI implementation which is a significant cost that at some point, I would start asking where are we going to cut from? Can we afford to do all of this at this time and Mr. Rutherford pulled me aside afterwards he said Mr. Lammers we have spent hours looking at the rate sufficiency because my initial thought was let's cut expansion. Even though I'm a big fan of expansion, I'm a big fan of growth, I'm a big fan of investing that was my initial knee jerk reaction. Let's cut that. Because we can't do, again, everything at one time. He said that was one of our initial thoughts as well. But when you enter the numbers, and you try to justify to a lender that your rates will be able to cover the money you want to borrow, then you have to show that you have a certain amount of customers and if we can build into what we're proving to the lender, as more customers as growth, then that positively impacts our ability to borrow and we actually, by having an expansion program, don't have to raise the rates as much because we're making the presumption we will have more customers and we can share that additional rate burden/cost burden amongst more customers which lowers the rates for the individual and that's what I think about.

So all that to say, that this is not a decision I take lightly, but I've put a significant amount of time and energy into verifying this staff has done the best we possibly can to move the city forward

and I think that's probably what we have here. Is the best chance we are giving to our community?

Chairman Fee asked any other comments?

Mayor Hudson said I just might add that, that is what the commission has repeatedly told us they want us to do which is grow the utility and by growing the utility, we spread out -- spread out the ability to pay.

Chairman Fee asked would you be so kind as to put the bills back up and just run through them just to the end?

Mr. Cisneros said I would like to mention how specifically within the past two years, this house has replaced the roof, their AC, their windows, and they have a gas water heater. You can see that the efficiencies they've had in reducing the electric bill with those improvements.

Chairman Fee said I like how you chose older homes because we are an older community and that's a fair sampling of what we'll -- what some of the most of the residents will encounter. But it looks like to me that we've done very best trying to keep these under 8% to 10% of the total bill. I'm pretty pleased at the ratios that I'm seeing here. So I think you've done a good job to minimize 7.4, you know you only have 11.2 on one of them. That, again, needed updating. That is -- that's -- any other comments?

Mrs. Gibbons said I do. In these town hall meetings is there going to be some discussion of the WEOP program as well? I feel like this is a perfect opportunity to be able to help people get their bills under control. Maybe they can bring their bills with them and you know, maybe even apply for that process?

Mr. Cisneros said that's a great observation. On the – so the town hall meetings are going to be May 5th, this Thursday from 6:30 to 8:00 or 8:30 and we will definitely discuss the WEOP. I think that's a great opportunity for us to do that with the community and May 14th it will be at the same location, Means Court, the Means Court Incubator Center and it will be from noon to 3:00. We'll also make sure we do that. I think part of what we're doing here is what we need to do here a better job of is trying to provide our customers with great energy saving tips in addition to the WEOP. FMEA, FMPA they do a really good job of advertising the things that you can do to help save on energy. You know lowering your thermostat when you leave. That's a pretty big deal especially if you are not there for 8 hours and then....all those little things add up. Individually it may not be a lot, but if you add them up together they can be quite a bit. I think that'll be part of our outreach too in addition to the WEOP. So you're absolutely right.

Mrs. Gibbons said and even water waste and all that. You know I know we had talked about having some of that advertisement put out there. I feel like that probably needs to be dredged up.

Mr. Cisneros said there's one account...sorry about that there was one account, the bills, you'll notice that it's a small building, but it has probably kind of a high consumption rate. It's probably because there's a leaky toilet...you know. So those kind of things are important to address. You know those things we'll never see them. The customer sees them. If they're able to address that they can reduce some of that water consumption and, in addition, save on their wastewater.

Mrs. Gibbons said with AMI and everything getting put in, we know like typically the max that somebody might use in their house is 5 to 6,000 gallons a month or whatever. Is there some way that we can get an alert to help those people quicker you know. I feel like that one should have been pretty....

Mr. Cisneros said those customers I don't think that customer has an AMI meter. Do you know Rachel?

Ms. Tennant said I don't know.

Mr. Cisneros said okay.

Mrs. Gibbons said another reason we want to make sure we.....

Mr. Cisneros said right so the AMI project, the meter and the software will alert the customer you know so they can put you know we can put thresholds in there based on their average bill. If they see a spike it will notify staff and it'll also if the customer registers for that notification it will notify the customer that they may potentially have a leak or that their meter is running when it shouldn't be.

Mrs. Gibbons said right, that person may not even know that 17,000 gallons isn't normal.

Mr. Cisneros said my guess would be irrigation. That's probably my guess.

Mayor Hudson said a pool?

Mr. Cisneros said that's a lot for a pool for being that repetitive. I would venture to say it's probably irrigation.

Mayor Hudson said Mr. Chairman, I also think it would be a good opportunity because it will come up that because the way we bill, so many services are on one bill and combined. We all know that when people come and say, why isn't my bill like Port St. Lucie. Why's isn't...you know I'm compared and what they are comparing is the total on ours which is a number of services to maybe one or two services in another area and so it's a good opportunity to remind people that you get one bill for quite a few services including garbage, etc.

Mr. Cisneros said yes, ma'am. That's a very good point. In Port St. Lucie you have probably three different companies. You have a gas company, independent an electric company independent

and water/wastewater is independent. Here at FPUA you get that all that in one bill. That's a very good point. That's something we've struggled with for a very long time.

Mayor Hudson said right it goes with the territory. We know about it. We know, but we know people out there who don't, who don't think about that and so in any form where you're talking about bills it's a good reminder to let our rate payers know.

Mr. Cisneros said and we are going to do more outreach related to bills. I think that's something that we really need to focus on. Like I said, we haven't done a great job and we look forward to doing a much better job of communicating what that bill really represents. Because you are right we do get compared to FP&L often. They are just electric. Their bill is $150, but ours $200. You have more services on our bill. You're absolutely right.

Ms. Bennett I know we've been talking about residential homes with the bills. What about commercial? How would that look on a commercial aspect?

Mr. Cisneros said that's a good question. It will be a little bit different. Michele might be able to tackle that a little bit, but we didn't have quite enough time to add some more bills to that, but we can definitely provide you some additional information after today's meeting to let you know what a commercial account would look like or .....

Ms. Harris said we just targeted on the residential, but we can run some commercial as well.

Mayor Hudson said I think you need to be prepared to be able to answer that.

Mr. Cisneros said we will. We'll add some commercial bills on their for the next board meeting.

Ms. Bennett said and also just for the record that those rate increases will only be for the month of July. Excuse me, only for the month of July and only for the month of October.

Ms. Harris said no, ma'am. They begin in July and then the second one begins in October.

Ms. Bennett said and it will be .....

Mayor Hudson said continued.

Ms. Bennett said okay.

Mr. Cisneros said right. So actually, that's a very good point. The first one starts in July and continues until we pay off our debt. The second one would start in October and continue until we pay off our debt. Our intention is to get as many grants as we possibly can to reduce that cost. Any future costs in the future or even reduce our expenses in the future.

Mayor Hudson said that's why the grants are so important.

Mr. Cisneros said yes, the grants are very important.

Chairman Fee asked any other questions of the board? Okay I would like to move on to item 4, which we added. I would like to open up the hearing for public discussion concerning the rate sufficiency recommendations. If you would like to come up and make a statement, please come to the podium. State your name and where you live and you have three minutes to speak.

Ms. Theresa Jacques-Francis, from Bent Creek Dr. Oh, boy. That's not long. This is going to be fast in one breath. Good afternoon Chairman, Madam Mayor and members of the board. I am Theresa Jacques-Francis a recent reluctant resident to your beautiful historical City of Ft. Pierce. Simply on the mayor premise I heard nightmares as far as I'm aware. Ft. Pierce was a blip on the map crossing over from ER Junction connecting from Broward County up to Alachua County. I lived in state of Florida pretty much my entire life. Amassing to just over 4 decades, so suffice it to say I need guidance and I need direction and I'm here on behalf of several homeowners from a brand new development as a result of gentrification, Bent Creek. Right here on the west side of town. Now I would love for someone to tell me why this FPUA exists and when did it come into inception. You know when we consider – let's just do a few talking points very quickly, there are less than 22,000 homes in Ft. Pierce, 47% of them are owner occupied. The other 52% are renters who are getting government subsidy. So suffice to say, when the median home prices between $200,000 to $300,000 and the median income is $30,000 to $40,000, but the average salary is $21,000. The average renter for a 3 bedroom four bath home is paying anywhere from $1700 to $2000 a month. I represent a fortune 500 company that is targeting the members at-large in Ft. Pierce, because we have done the math on the statistics that 80% of your demographic do not have $1,000 disposable income to choose between medications, the roof over their head or any other incidental that you may consider important and have (inaudible) needs. Because here it is high cost living is now met with low minimum wage. It's unfathomable to keep raising rates as a solution to funds that are subsequent to poor management. No disrespect, but let's break this down. For a real average consumer, we are charged a $15 flat reconnection fee. That implies disconnection. I just had my service turned over from Lennar. Then I notice every single month there's a customer service fee of $15 just to have access to water? And it was explained to me that there's a blanket base 3,000 gallons that even though I have not turned on my faucet, I'm arbitrarily charged for every single month. Then in addition to that there's another customer service charge $16.23 for wastewater. So you're charging me customer service to turn on my faucet and customer service to flush my toilet and yet when I call you I don't get any customer service. All I see is a fleet of vehicles. I've been here since November 2020. A fleet of vehicles for every model under the make or make under the model. I'm sorry if I said that incorrectly, but let's continue. When you consider that there's less than 20,000 home all being serviced by FPUA, why is it the sole burden of the Ft. Pierce residents to .....

Chairman Fee said 30 seconds. Oh sorry, very well spoken. I know where you are going with it. I'm sure we get some of the answers to your questions. Especially concerning how long the FPUA has been here. But it's been here longer.....

Ms. Theresa Jacques-Francis said but more importantly too, you know, increase when funds that are being collected are being used for I don't know what? You are charging me for what I haven't used and now you're telling me you want to charge me more in July and then you're going to charge me more money in October.

Chairman Fee said ma'am.

Ms. Theresa Jacques-Francis said and this will be ongoing.

Chairman Fee said we have to move on.

Ms. Theresa Jacques-Francis said thank you for your time.

Chairman Fee said Mr. Cisneros is Bent Creek within our service area?

Mr. Cisneros said it is for water and wastewater and I believe gas.

Chairman Fee asked any other comments? Okay. We will close the hearing on that discussion concerning the rate sufficiency and now we'll move on to the resolutions.

Mr. Cisneros said the next presentation is summary for action item. It's for the four resolutions to adjust rates for electric, gas, water, and wastewater. These recommendations will impact our customers based on consumption and not based on a flat rate as Rachel and Michele presented earlier. If approved, this would be the next step towards helping the find in 2018 strategic planning session and for the relocation of the wastewater plant. Barbara Mika will present these items.

Ms. Mika said thank you Mr. Cisneros, Board Members, and Chairman Fee; thank you for allowing me to be here. I am here to present the proposed rate resolutions for electric, natural gas, water and wastewater systems for FPUA. I will preface this presentation with I don't want -- I -- you will hear some information you've already heard. We're just going to drive it home, but I wanted to preface that. Don't mean to bore.

We have followed all required notifications for this public hearing being held today regarding the resolutions, proposing adjustments for the monthly bills for the services mentioned. Our bill inserts went online notifications were out in April with the April bills. We have put it out on our FPUA website, FPUA.com. We ran newspaper ads for the display ad which you can see here on the right side of your screen and the legal section ad on April 17th in the St. Lucie News Tribune and it was also posted on Facebook all culminating to today's hearing.

I would like to start with a little bit of history of the adjustments to our rates. The basis for our rates on customer charges is -- the rate basis for the increases are on our customer charges and our usage charges for all systems. It doesn't impact the electric and gas base cost of -- which is adjusted through the PCA and PGA. The revenues received are used to support the operational and capital needs of FPUA. The electric system rates over the past 15 years have culminated in a net increase of just .6%. As you can see here in 2007, early 2007 and 2008 we had two rate increases of 6% and 3% respectively in those years. In 2011 to '14 over those three-year periods we had rate decreases. That was part of a rebalancing of the system revenues so that the financial impact to the customer on the bill was there was no impact and what it did was leveled, you know put more revenue into the water and wastewater and gas system and less into electric just to rebalance revenues so they would all be self-sufficient. So that happened in the three years from 2011 to 2014. For the electric system over the past 15 years we've done nothing as far as rates with the electric since 2014. It's the systems net increases just .6%. So we haven't had any increases in electric to date, you know cumulatively. On the water, wastewater and natural gas system rates, 2007 to 2009, we set our sights on making each system self-sufficient. In 2011 through 14 we -- the water/wastewater natural gas had increases that were offset. Again, as I mentioned through the electric decreases in the electric system. In 2015, we had because we were -- we couldn't take more from electric because they were, you know, just at a level where they were making money. So 2015 and '16 we had to maintain that self-sufficiency for water only and we had increases of 3% in both of those years. Moving forward to the 2018 to last year current, all the adjustments that we have made, again, not on electric but on water/wastewater and gas where just that PSC indexed amount.

The revenues that are projected are based upon growth and customer accounts and increases in .....anticipate increases in the unit sales. Growth is anticipated in varying levels for all systems. The electric has growth projected at .4% per year over the – from 2002 to 2027, but without territorial expansion possibilities the in-fill of customers has been provided so that we can make some progress within the territory that exists. The water expansion project on the capital plan and is anticipating annual growth of about 1.6 to 1.8%. That's per year on customer accounts and unit sales. Wastewater system development is working on expansion of sewer, through the low pressure sewer conversion installations. This system will bring new services to existing water customers along with other expansion projects and is expected to bring about 1.5% each year annually to customer and the anticipated sales. Natural gas has planned a new gate station that's north of town that will expand their service territory and increase customer accounts by an average of 7.9 almost 8% annually with annual sales anticipated at almost 2% again per year.

The rate study focus is on the base rate which must provide for the annual costs of FPUA. The financial feasibility and the rates developed for the resolutions being presented today to take into account the five-year capital improvement plan which is renewals and replacements, the AMI project completion, expansion projects and the relocation of the island water reclamation

facility. The expenditures that we are anticipating are operating expenses with a -- which includes a 2.2% inflationary increase per year. Our debt service current and proposed payment to the city for the city distribution and again our five-year capital plan.

The projected gross revenues depicted in this chart here include the anticipated growth I just mentioned with those percentages through 2027 that I previously described. The existing rate revenue shown with the lighter green and the increment that will be derived from the proposed adjustment is shown in the darker green. Fiscal years '24 to '27 include the proposed increases and the estimated public service index for those years if necessary and if they are implemented. They are included in those green mounts public service, but the increases for '22 and '23 are what's being proposed today?

The total 6 year capital improvement plan which is inclusive of capital for more funding sources totals $242 and a half million dollars. That's including 2022 through 2027. The plan rate funded projects of $70.7 million. Almost $71 million allows for an average spending on rate funded projects of almost $12 million dollars a year. Those spending levels will be held by the determined amount of rate sufficiency that each system can afford. In other words the $11.8 million is the average, but for each system they're only going to be able to spend what was presented in the rate sufficiency that will keep them within that range.

Debt service funding will bring to completion the AMI, the Advance Metering Infrastructure, for about $6 million dollars and also provide for water expansion and wastewater expansion that's for about $11 million dollars. The gas expansion to north Ft. Pierce is included in that funding for about $7 million. FPUAnet system expansion and reliability is $2.8 million and the relocation of the island water reclamation is in there for about $100,000. That's all inclusive of the $126 million that we're showing for the series 2022.

The future grant funding or capital needs that are presented here, those will be pursued to extent available once the current project is under way and we can provide the information that they need on those projects to apply for those grants. Grants and other funding sources will be obtained first before any additional debt or loans are needed at that point. We're hopeful that the grants will cover that, that $18 million dollars. That's after we're done with the project itself.

This is a graph of the numbers we just hit shown totaling the $242 million over the 5 years. It's a capital improvement plan shown graphically and it shows the amounts in thousands of dollars and the percentage of that total plan for 6 years.

Why do we need these rate increases? I've summed it up to a few reasons why the rate adjustment are necessary. I may not seem apparent to everyone, but maintaining and operating systems and infrastructure comes at cost that's constantly on the rise. The quality and reliability of FPUA and the services we provide is paramount. We need to maintain adequate cash reserves to address the working capital needs and finally we need to demonstrate our rates sufficiency to

our bond rating agencies. Our rates will determine the best possible outcome when the interest rates are decided. This needs to be a part of that picture.

This is what was put into the bill insert that went to customers was also part of that legal display ad and I know you've seen this in so many different fashions I just left it in there. The reason I did is it's already been presented, I simply wanted to reiterate the increment to the average customer again with all services at those standard consumption amounts. If the increment each between the current bill in July and between the July bill and October is just less than 5% each time. Cumulatively it's less than a 10% increase over both increases.

In conclusion, it is -- it's FPUA's mission to enhance the quality of life in our community through economical, reliable and friendly service. Our plans for expanding utility services will enhance the lives of many and relocating the island water reclamation facility to the mainland will aid the health and sustainability of the Indian River lagoon. All the proposed rate adjustments included in the resolutions before you were presented at the joint workshop in March. Staff is recommending the board consider the individual adoption of the proposed resolutions which will be read aloud to you one at the time for the resolution for these services. That's all that I have.

Chairman Fee asked any comments from the board?

Mayor Hudson said I have a question. The charts that you just showed were not part of our packet; right? So that's going to be on the attachment to the agenda? The pie chart.

Mr. Cisneros said yes, we can make sure we follow up and add that to agenda, yes.

Mayor Hudson said because I would like chance to look at that in depth.

Ms. Mika said absolutely we can sent that.

Chairman Fee asked any other comments from the board? Alright anybody want to make a motion? I think we need a reading of a resolution, first one or do we need to make a motion first? Alright let's start with number 1.

Ms. Sabota said Resolution No. UA 2022-06: A resolution amending, superseding, and rescinding the schedule of rates for electric services furnished by Fort Pierce Utilities Authority, Fort Pierce, Florida, in Resolution No. UA 2014-03, in accordance with the charter of the City of Fort Pierce, Florida, Article XII; providing for a 5.0% and a 4.53% increase in the customer and usage charges, based on the rate sufficiency, demonstrated in the financial feasibility report, and the 2022 Florida Public Service Commission annual price index; and providing for effective dates hereof.

A motion was made by Mayor Hudson, seconded by Mrs. Gibbons, and unanimously agreed to approve Resolution No. 2022-06: A resolution amending, superseding, and rescinding the schedule of rates for electric services furnished by Fort Pierce Utilities Authority, Fort Pierce, Florida, in Resolution No. UA 2014-03, in accordance with the charter of the City of Fort Pierce,

Florida, Article XII; providing for a 5.0% and a 4.53% increase in the customer and usage charges, based on the rate sufficiency, demonstrated in the financial feasibility report, and the 2022 Florida Public Service Commission annual price index; and providing for effective dates hereof.

Ms. Sabota said Resolution No. UA 2022-07: A resolution amending, superseding, and rescinding the schedule of rates and charges for natural gas services furnished by Fort Pierce Utilities Authority, Fort Pierce, Florida, in Resolution No. UA 2021-07, in accordance with the charter of the City of Fort Pierce, Florida, Article XII; providing for a 5.0% and a 4.53% increase in the customer and commodity charges, based on the rate sufficiency, demonstrated in the financial feasibility report, and the 2022 Florida Public Service Commission annual price index; and providing for effective dates hereof.

A motion was made by Mr. Lammers, seconded by Ms. Bennett, and unanimously agreed to approve Resolution No. UA 2022-07: A resolution amending, superseding, and rescinding the schedule of rates and charges for natural gas services furnished by Fort Pierce Utilities Authority, Fort Pierce, Florida, in Resolution No. UA 2021-07, in accordance with the charter of the City of Fort Pierce, Florida, Article XII; providing for a 5.0% and a 4.53% increase in the customer and commodity charges, based on the rate sufficiency, demonstrated in the financial feasibility report, and the 2022 Florida Public Service Commission annual price index; and providing for effective dates hereof.

Ms. Sabota said Resolution No. UA 2022-08: A resolution amending, superseding, and rescinding the schedule of rates and charges for water services furnished by Fort Pierce Utilities Authority, Fort Pierce, Florida, in Resolution No. UA 2021-06, in accordance with the charter of the City of Fort Pierce, Florida, Article XII; providing for two separate 10.0% increases in the customer and volume charges, based on the rate sufficiency, demonstrated in the financial feasibility report, and the 2022 Florida Public Service Commission annual price index; and providing for effective dates hereof.

A motion was made by Ms. Bennett, seconded by Mr. Lammers, and unanimously agreed to approve Resolution No. UA 2022-08: A resolution amending, superseding, and rescinding the schedule of rates and charges for water services furnished by Fort Pierce Utilities Authority, Fort Pierce, Florida, in Resolution No. UA 2021-06, in accordance with the charter of the City of Fort Pierce, Florida, Article XII; providing for two separate 10.0% increases in the customer and volume charges, based on the rate sufficiency, demonstrated in the financial feasibility report, and the 2022 Florida Public Service Commission annual price index; and providing for effective dates hereof.

Ms. Sabota said Resolution No. UA 2022-09: A resolution amending, superseding, and rescinding the schedule of rates and charges for wastewater services furnished by Fort Pierce Utilities Authority, Fort Pierce, Florida, in Resolution No. UA 2021-08, in accordance with the charter of

the City of Fort Pierce, Florida, Article XII; providing for two separate 10.0% increases in the customer and usage charges, based on the rate sufficiency, demonstrated in the financial feasibility report, and the 2022 Florida Public Service Commission annual price index; and providing for effective dates hereof.

A motion was made by Mrs. Gibbons, seconded by Mayor Hudson, and unanimously agreed to approve Resolution No. UA 2022-09: A resolution amending, superseding, and rescinding the schedule of rates and charges for wastewater services furnished by Fort Pierce Utilities Authority, Fort Pierce, Florida, in Resolution No. UA 2021-08, in accordance with the charter of the City of Fort Pierce, Florida, Article XII; providing for two separate 10.0% increases in the customer and usage charges, based on the rate sufficiency, demonstrated in the financial feasibility report, and the 2022 Florida Public Service Commission annual price index; and providing for effective dates hereof.

Chairman Fee said we'll move on to item J.

Mr. Cisneros said thank you Mr. Chairman. The Utility Advisory Committee is scheduled to meet this Thursday, May 5th. We will start with lunch and then provide a quick overview of the operations before heading on a tour of FPUA facilities and I'd like to thank Mr. Mimms and Mr. Reels from the city for working with us for the use of their trolley. So it should be a very fun day. That is this Thursday and it will be shortly before the town hall meeting. So it will be a very busy day.

As we talked about earlier today we'll make sure that any presentation we have provided to the board for major projects like the wastewater plant, or whatever projects are appropriate, we will make sure to present that to the city commission so that they're in the loop. The big projects are pretty important to make sure that everybody is on the same page.

So, well just a couple of other notes. First I would like to thank you for your vote of confidence and trust in staff. Today marks my four month anniversary of being on the job. It's been a roller coaster to say the least. I really do appreciate the vote of confidence you have in me and staff.

That's all I would like to say. I don't I have any other comments, Mr. Chairman.

Chairman Fee asked any questions for the Director?

Mayor Hudson asked what anniversary was it?

Mr. Cisneros said I started January 3rd in this job of this year and today is May 3rd. So officially four months.

Mayor Hudson said oh okay. I thought you were talking about years.

Mr. Cisneros said no, just this year.

Mr. Lammers said taking it one day at the time.

Chairman Fee said all right. Thank you. Mr. Attorney?

Attorney Koblegard said I have nothing to report on and Mr. Javy Cisneros is still on track for his vacation.

Chairman Fee asked any other comments from the board?

Mayor Hudson said I would like let you know that I got a text that said that Shay who was supposed to say the prayer was stuck in another situation that he couldn't get out of and he apologizes to the Board. He didn't stand us up he just couldn't get here.

Ms. Sabota said alright we'll get him again.

Mayor Hudson said yup yup.

Mrs. Gibbons said I have something quick to say. You know when I took this role nobody said it was going to be easy and I was like aww this was going to be fine. I don't know enough, I feel like I need to be part of this because there needs to be more information, whatever and it definitely has not been easy. I will say that it is a breadth of fresh air to be up here with all of us in unity and let's hope that when this goes to the commission board that they feel the same and we are all on the same page together.

Chairman Fee said well said.

There being no further business, the meeting was adjourned at 6:07pm.

ATTEST:

SECRETARY

CHAIRMAN