MINUTES OF A REGULAR MEETING OF THE FORT PIERCE UTILITIES AUTHORITY, TUESDAY, JUNE 21, 2022, 2:00 P.M., CITY COMMISSION CHAMBERS.

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

Others present: Javier Cisneros, Director of Utilities; Rupert N. Koblegard, III, FPUA Attorney, Barbara Mika, Director of Finance and Administrative Services; Craig Crawford, Acting Director of Electric & Gas Systems; 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.

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

The Pledge of Allegiance was recited.

The roll was called and a quorum declared.

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

A motion was made by Mr. Lammers, seconded by Mayor Hudson, and unanimously carried to approve the Minutes of the Regular Meeting of June 7, 2021.

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

1. Approve contract with Public Surplus of Provo, Utah for on line auction services. Public Surplus provides the online platform for auctioning surplus equipment at no cost to FPUA. Public Surplus charges the Buyer a 10.5 percent buyer's premium, runs the online auction, collects the funds from the buyer and then makes payment to FPUA. Public Surplus provides guidelines for the buyer and seller.
2. RFP No 22-34: Accept Proposals from and approve Contracts for Miscellaneous Electrical Services with A&R Electric Inc., of Jensen Beach, Florida; Malanczyn Electric, Inc., of Ft. Pierce, Florida; Thomas E. Richmond Electric Inc. dba Richmond Electric, of Ft. Pierce, Florida; and WirenutZ Inc., of Ft. Pierce, Florida in an amount not to exceed $240,000.00 annually ($60,000.00 each) The initial term of these contracts will be from June 8, 2022 to June 7, 2023 with four one-year renewal options, contingent on receiving required Certificate(s) of Insurance.

3. Approve budget transfer of $140,000 to the Celebration Pointe Phase II project for electric infrastructure installation. The funds for this transfer are available in Projects 578 and 589.
4. Bid No. 22-49: Approve award of bid and contract for 93% Sulfuric Acid (66 Baume), with Sulphuric Acid Trading Company, Inc., of Tampa, Florida, in an amount not to exceed $136,000 annually. The initial term of this contract will be from June 1, 2022 through May 31, 2023 with four one-year renewal options, contingent on receiving the required Certificate(s) of Insurance.
5. POA 17-64: Approve Amendment No.1 to the Sodium Hypochlorite Contract with Allied Universal Corp., of Miami, Florida to increase the not to exceed contract amount by $128,444 from $221,556 to $350,000 annually and to allow for two additional one-year renewal options, contingent upon receipt of the required Certificate(s) of Insurance.
6. ITB No. 18-57: Approve Amendment No. 3 to the Emulsified Cationic Polymer Contract with Polydyne Inc., of Riceboro, Georgia to increase the not to exceed contract amount by $90,000 from $90,000 to $180,000 annually and to allow for two additional one-year renewal options, contingent upon receipt of the required Certificate(s) of Insurance.
7. POA 22-55: Approve the contract for Manhole Rehabilitation with Hinterland Group Inc., of Riviera Beach, Florida by piggybacking on the City of Port St. Lucie E-Bid No. 20200104, in an amount not to exceed $180,000 annually. The initial term of this Contract will be June 22, 2022 through June 21, 2023 with two (2) two-year renewal options, contingent on receiving required Certificate(s)of Insurance.
8. Approve the Water and Wastewater Supply Agreement with Orchid Island Juice Company granting a transfer of capacity from their existing site off US highway 1 to their new location at off DiGiorgio Road and Project Contributions in the amount of $112,400.
9. Approve the Vendor Agreement for VoIP Service with Blueline Telecom Group, LLC, of Lake Mary, Florida. The initial term of the agreement shall be 36 months from execution with unlimited automatic 1- year renewals unless terminated by either party, contingent upon receipt of the required Certificates of Insurance.
10. Excuse Mrs. Kristina Gibbons, FPUA Vice Chairman from the Board meeting today because she is out of town.

Ms. Sabota read the following recognition of excellence into the record:

1. A call was received by a customer, Domenica Cosentino, who indicated she is a satisfied customer after speaking with Raul Barrera. He was professional, polite and respectful while helping her with a question about her bill.
2. A customer, Keri Johnson, came through the drive thru and Rosaline Michel assisted her and was very nice and kind. She helped her through a situation about her electricity.

Chairman Fee said very nice. There is not any old business, so we will move on to new business, Mr. Director.

Mr. Cisneros said good afternoon Chairman and members of the board. The first item is this afternoon is a review of our new underground electric service policy. This policy is not new per se, but rather a new approach on how FPUA addresses the service from the distribution transformer to the customer's home. This what we often refer to as the last mile. After a storm this typically what takes the longest to repair. Thierry Sydne, Electric and Gas Engineering Mechanical Engineer, will present this item.

Mr. Sydne said thank you Mr. Cisneros. Good afternoon Mr. Chairman, Madam Mayor and Members of the Board. The electric and gas engineering department is excited to present this new policy to you all. We believe it's a very advantages way of moving forward for the utility and, more importantly, our customers. You will hear the phrase electric service thrown around within the policy itself and in this presentation and I think you know a good way to get started is essentially understanding what the electric service is. So, let's take a look at the grid.

The power starts at the power station. It goes through a number of voltage transformations and stepped up and then through transmissions step down until we reach our neighborhoods where it steps down one final time from the distribution transformer. When we say electric service, we refer to that last link or the last link of cable between that distribution point and our customers that allows our customers to receive power from FPUA. So, anytime we state electric service within the policy or within this presentation that's exactly what we're referring to. There's two ways that's handled. Either through an aerial cable or underground. This policy is essentially pushing for those services to be installed and relocated underground moving forward.

Your next question may be why now. Fifty years into this why do we establish this policy now. As Mr. Cisneros mentioned, this isn't new but it's new for FPUA. In 2020 the city of Fort Pierce recodifies their code of ordinances and within Chapter 5, Section 101.4.1.1 it addressed underground electrical services and it stated for out read verbatim all new or replacement utility services shall be served by means of underground lateral service from the distribution point to the building in accordance with the requirement set forth by FPUA. Now this was perfect. It took care of exactly what we needed it to do. When that code of ordinances was re-codified that was removed. So, staff we looked at this and we identified the situation and we realized that without this being in place it kind of derailed us from our plan and the vision for our electric utility. So, we decided next step forward was to adopt the policy internally that allowed us to apply what we need to our entire service territory in a way that's beneficial for us. Let's do one better. Let's do it so it benefits the customer. Let's help the customer help us help them. That's exactly what we did. We will take a look at the policy and we'll go over what we mean by residential customers, commercial customers and then we'll break that down between new services and modifications to existing services.

Like I stated the policy is broken down between residential and commercial customers. A residential customer is any single meter standalone residential property and any single-family home that's not located within an established subdivision or HOA and commercial customers simply put is just everyone else. It's all your multifamily properties and property located within an established HOA and of course all commercial properties within our electric service territory. That's the first breakdown of the policy. Residential and commercial customers and we did that because the two have two different requirements so let's consider our new services for a residential property. A new service that the customer will be responsible for providing and installing that conduit. FPUA will then provide an install the service conductor, and then when all is said and done, FPUA will own and maintain the conduit and cable for that customer at no direct cost to the customer.

For commercial property the conduit and cable will be furnished, installed, owned and maintained by the customer. That's in accordance with the industry standards. Because of the dynamic nature of commercial services, it's more advantageous for those customers to own and install their cable. There're different varieties of cables installed and if FPUA were to do that it would be a burden on us to stock all the different types of cables that are required to meet the NEFC requirements for commercial customers. That's why that difference and responsibilities exists.

When we consider modified electrical services that's when things get more interesting. That's when we decided ok we will reestablish this policy since we lost it with the city. We will do one better we'll incentivize services in a way to get customers to go underground. We will help them out. That's what we did. For any customer doing projects where the customer calls into FPUA and said, hey, I don't like the way it looks. I want to put my cable underground, that's fine. We will charge them a conversion fee. They will provide and install the conduit and do any meter can upgrades necessary. FPUA will come in remove their overhead service and install the underground service. However, we're looking to underground more services than just customers calling in. Anytime a customer is doing any sort of upgrade or replacement to the parts of their service, as long as it's no emergency work, we will require them to go underground. However, we will provide the pipe and require they install it for us, but we will reimburse them for the cost of that installation as if we were doing it ourselves. So, we'll reference our existing underground unit price contract rates and will reimbursement them for that cost of the installation. So essentially, they're helping us out, but it's really at our own cost. They get to underground their service as we would like them to, but we help them out to do that.

Any FPUA driven projects, and city roadway improvement projects or county roadway improvement projects, FPUA will handle the underground relocation of those services and all that we ask from the property owner is just written permission to allow us to do that work on their property.

You may wonder what's the end goal? Currently this is what our system looks like. We have a mix. In some areas we have over headlines and other areas there's underground lines. In your lower left-hand portion of that picture we have polls and lines in the neighborhoods, overhead services, but really what we want is our entire system to look like is the upper right-hand portion of that picture. Sure, we'll have main lines along the main arterial roads of our service territory. Once we approach those neighborhoods we'd like to have as much of that 200-amp infrastructure underground as possible. That policy helps us to do that in the way that it did before. We're just reestablishing it internally.

You may wonder what's the benefits; right? It looks great, but what are the other benefits. It accelerates our storm hardening and grid modernization plan which was adopted in 2019, like I said, when the city removed that ordinance, it kind of derailed this a bit so this is getting us back on track and helping us to do it better in a way that works for us, but also helps the customer as well. It promotes more efficient storm restoration. Allows the crews to focus on mainlines, our primary infrastructure since they know that the secondary is underground. There's isn't much to worry about. Eliminates customer tree trimming around services. Certain outages of power quality issues that result from being exposed to elements. That's all limited as well. Since underground services don't have a weather head the damage possibility that would stop us from restoring a customer, all of that is eliminated as well.

There're a few more secondary benefits that we gain from these. NESC clearance violations that we can avoid by having the underground services. Certain fire and shock hazard and other safety risks that can also be avoided will be avoided with this policy in place. Last but not least, we all know the saying out of sight out of mind. When those services are underground it looks better. People like the way it looks. That's why customers often call us and say hey I don't want this line I want to relocate it underground and so by doing that, it not only allows us to get ahead of that, but helps us to stay in line with the keep Ft. Pierce beautiful motto that we have.

That's all I have for you. I know it was a lot. Might have been really quick. If you have any questions feel free -- I will take those now.

Chairman Fee asked any questions of the Board?

Mr. Lammer said Mr. Chair. I know you mentioned that one of the main goals for this is to further our efforts to storm hardening. Do you have in your mind after the storm comes through about what percentage of our system problems are related to services that this would resolve verses the other types of problems we might experience on the system?

Mr. Sydne said I don't have that exact number, but we can provide that. However, I did take a look at the figure of customers that we can't restore due to damage caused to their own facilities due to the overhead services. For example, the weather damage we discussed. In the number of 20 to 30 customers that we couldn't restore right away. Out of 30,000 that may not seem like

that many, but if you consider --it's hard to get an electrician after a hurricane. Consider things like that, 20 to 30 different homes, that's significant.

Mr. Lammers said so in those situations where the weather has that pole sticking above the house, so where that gets damaged they have to get an electrician to come fix it?

Mr. Sydne said yes, those are customer-owned facilities. Once you reached that point and so they would have to request that within -- hire an electrician to fix that damage once it's inspected by the city then we can reconnect the customer. That creates a delay in the restoration time unfortunately.

Mr. Cisneros said it also requires in some cases requires a roofer to come out and repair anything that's been damaged from the weather head being damaged on the roof if it's above the roof line.

Mr. Lammers asked how much more expensive is it to install a service underground verse overhead?

Mr. Sydne asked for a new service? Not very expensive. If you consider the cost of the trench and the pipe itself, I would have to get the figures for you. When you're considering a new service that ground isn't finished. You no longer have to worry about restoration since most likely building a house or business, you're already breaking ground on that property. So, that's a cost that we can avoid, but we can calculate that.

Mr. Cisneros said I think we looked at some average numbers. I think the average number total length was 150 is that right?

Mr. Sydne said a little less, about 100 feet for the service length and say $5 a foot for conduit installation and then maybe $3 or so dollars a foot for the conduit itself. If you consider that it's about $800 for a service. The average underground service.

Mr. Lammers asked and then what would it cost to hang it overhead?

Mr. Sydne said that would be free of charge for the customer. There's still a connect fee of course.

Chairman Fee asked any other questions?

Mayor Hudson said I have a question. This last mile is normally who pays for that?

Mr. Sydne asked which portion?

Mayor Hudson said the overhead from the -- to the house?

Mr. Sydne said if were an overhead?

Mr. Cisneros said well FPUA's responsible from the transformer all the way to the weather head. That last mile is always on FPUA for residential.

Mayor Hudson said it was.

Mr. Cisneros said and it still is, yes.

Mayor Hudson said and it still is. I'm having a hard time saying -- understanding why the customer wants it they have to pay for it; right? But if the customer has a service upgrade there's a difference then they don't have to pay for it; is that right? Am I following that right.

Mr. Sydne said that's correct.

Mayor Hudson said and so I don't understand the logic of that if that's something that we want to have happen.

Mr. Cisneros said we talked about that internally about how do we proceed and how do we most effect -- you know where do we spend our money the most effectively and those city roadway projects, those DOT roadway projects, the FPUA projects we're going out and rebuilding a line ourselves that's where we would want to spend some of that money effectively, because we're mobilized and we're already there. Where the customer general projects were one sporadically throughout the city. A contractor has to mobilize for a specific customer site where the FPUA project or city project they are mobilized on the project and able to get economy to scale.

Mayor Hudson said but this is something that we think is a good thing to do, right. So, if a customer that's listening out there and wants says I don't want mine overhead I want my buried. They pick up the phone and call. What do they owe?

Mr. Sydne said they would install that conduit for us and we would run the cable for them. That cost would be on FPUA and they would be charged flat rate conversion fee just to recoup some of that they labor.

Mayor Hudson said the customer.

Mr. Sydne said yes, yes ma'am.

Mayor Hudson said would only pay a conversion fee; is that right? Do I understand that right?

Mr. Sydne said yes ma'am.

Mayor Hudson asked so are we changing it any different than what we did before?

Mr. Sydne said yes. Currently we charge them a per foot cost for that. It's about $3.50 per foot. Now at that flat rate the fee cost would be about $200 and we would reevaluate this annually, but it would be about $200 to do so.

Mayor Hudson said so this is a better deal for the customer is what you're presenting.

Mr. Sydne said yes, ma'am.

Mayor Hudson said I just want to get the bottom line here. I'm having a hard time following it.

Mr. Cisneros said it's more economical for the customer and increases reliability for the customer's service. Mr. Lammers mentioned the weather heads being damaged that service is also damaged by trees even if the weather head wasn't damaged the service may have been taken out of service so, there's dual benefits there. It's more economical for the customer and that's our goal is to make it as reliable as possible for the customer. That last mile typically is what takes the longest to restore after the storm.

Mayor Hudson said so it's the proverbial, win win.

Mr. Cisneros said it is.

Mayor Hudson said thank you.

Chairman Fee asked any other questions? Thank you.

Mr. Cisneros said thank you Thierry. Mr. Chairman the next item is a request to approve additional funding for electric purchases for resale. This request is directly related to the increase in fuel cost for power generation from FMPA. Barbara Mika will present this item.

Ms. Mika said thank you Mr. Cisneros and chairman and board members. Staff is seeking approval for additional funding for our electric purchases for resale in the amount of $19 million from Florida Municipal Power Agency of Orlando to complete this fiscal year's purchases. Our original budget for purchases based on where we stood last year was $44 million at a megawatt hour cost of $74.58. Our latest bill in May was $104.28 per megawatt hour. This rising cost of gas has put some undo pressure in use of our general request for budget. We will be amending our budget this item is not budgeted. We will be amending our budget by this $19 million to include – to be $63 million and additional funding so that we -- $63 million in total, $44 plus the $19.

Our amended budget for this fiscal year will be presented in August. At this point, we need the $19 million to get us through. We currently are sufficient through June and part July. This will bring us through the end of September in purchases.

Chairman Fee asked any questions of the board members?

Mayor Hudson asked so is this coming from reserve? Or where is this coming from?

Ms. Mika said in the amended budget. Go ahead.

Mr. Cisneros said so ahead Barbara.

Ms. Mika said we have contingency money set aside, but not enough to cover this. That will be absorbed with the with the next item for the gas purchases for resale.

Mayor Hudson said right.

Mr. Cisneros said so, the increase in the PCA is going to help fund some of those costs to repay. That's why Barbara was talking about the amended budget because that includes being able to.....

Mayor Hudson said this isn't probably the time to talk about it, but it's been a really bothering me that we -- that we're doing this because we have no choice. Because the price of the product. Many people I know you don't understand this because you are all engineers and work in this company and you look at this every day, but the world out there has no idea that natural gas powers our electric. They have no idea. So, they don't know what the cost of natural gas has to do with the price of electricity. And so, what we are doing is because the price of natural gas has gone tripled and maybe quadrupled by now. I don't know what it is right now. We're being forced. We're not doing this because we want the do it, we're being forced to do it. I think we need to remember this and every interaction with customers or with anybody that this is something that is beyond our control.

Mr. Cisneros said right. That's absolutely right. I think you're right, I think there's an opportunity for us to -- we are working on campaign to kind of educate the general public about what that means for us as the utility. Just utilities in general. We did get some material from FMPA after the last presentation that they had. You will see some outreach from FPUA on Facebook.

Mayor Hudson said even really smart people don't understand what the price of natural gas has to do with electricity. They just don't understand it. It's a fact of life. We live with it. Everybody here lives with it. There are people out there that don't so I think it's really important that people understand this is beyond our control.

Attorney Koblegard said and we don't make any profit off of it.

Mayor Hudson said and we don't make any profit off of it. They don't understand that either. Absolutely, yeah. Thank you.

Chairman Fee asked does anyone care to make a motion?

Mr. Lammers said just one more comment. So, last meeting, we had some conversations about pre-purchasing gas. Where do we stand on that?

Mr. Cisneros said the FMPA did that as an organization last week. They hedged a small amount I wouldn't say a small amount, but some of those details are coming through e-mail. I can forward that to you probably tomorrow. Thursday we will talk about it in great detail at the FMPA Board of Director's Meeting. So, they ended up hedging –

Mayor Hudson said they locked in prices.

Mr. Cisneros said yes, they locked in prices. The price guarantee, thank you Madam Mayor. I can get that number to you probably tomorrow.

Chairman Fee asked does it appear beneficial?

Mr. Cisneros said it was a large amount of money that they were able to lock in, in savings yes.

Mr. Lammers asked so is it still on the table for to us do that individually as an organization?

Mr. Cisneros said it still is, but they are looking at the FMPA board meeting on Thursday that they are going to change the rules – the bylaws. The bylaws currently don't allow the individual cities to do that. They are going to change them so moving forward individual cities can do some price guarantees in the future.

Mr. Lammers said you say individual cities, I'm assuming you just mean ARP members.

Mr. Cisneros said ARP members that's right.

Mr. Lammers said because they mention that some cities do it on their own before. So, they mean non-ARP members.

Chairman Fee asked any other questions?

Ms. Bennett said yes. I'm looking -- we're asking for the increase. What I want to know is there any other areas we can look into to move some funds so - that we will be able to offset this price? I don't know how that works.

Mr. Cisneros said not for the PCA. What we talk about here is additional funding to cover the power cost adjustment bills. The short answer is no. You know we don't have enough in contingency. We have half a million of contingency, Barbara is that right?

Ms. Mika said a million.

Mr. Cisneros said a million. We don't have enough in contingency to be able to cover this. This the directly related.

Mayor Hudson said every which way you look you can't get around it. The product itself is just tripled or more than tripled.

Ms. Mika said it will only be spent to the extent that we utilize it and bill it. You know we're asking for this $19 million we're only going to spend what we have to.

Mr. Cisneros said this is to cover us through the end of the year into September into the budget year.

Ms. Mika said yes to the end of September.

Mr. Lammers asked does this $19 million figure, does it assume that gas is going to get more expensive, or?

Ms. Mika said we put in our estimates based on the projections that we have. We think we're comfortable with that and hopefully we'll be less than the $19 million. We kind of built it in a little bit so that we cannot have to come back.

Mr. Lammers said and ask for another four or five.

Ms. Mika said because it would be me.

Attorney Koblegard said Mr. Chair, Barbara, when do we have to have this money?

Ms. Mika asked when? Right now, we should have enough funding in the original $44 million to take us through our June bill and probably half of our July bill. Again, based on how it comes in.

Mayor Hudson said Mr. Chairman, I would assume that in our July – I mean from now on we're going to have educational materials so people are not surprised by this? Maybe some ways to keep your bill down.

Mr. Cisneros said yes, ma'am we are. We're going to be doing quite a bit.

Mayor Hudson said it will be important.

Mr. Cisneros said we want to do this obviously before July 1st when the rate adjustments go into effect. That's when the PCA goes into effect. We are going to be aggressively doing some outreach in the next couple of weeks.

Ms. Bennett asked can we allow the public to know this with a public meeting verses you know, the papers? We can have an in-house session. We can do something to come together to have them be able to know this. We can go back out to Means Court and let our rate payers know what's going on in person instead of, you know paper or online or Facebook. We can actually be there to answer any questions that they have.

Mr. Cisneros said yes, ma'am. One of the things that we will talking about is education outreach on how to lower your bill. Also, some budget billing. That's also another program that we have to help stabilize the bill and I think those are great opportunities for us to do education outreach. Obviously, because it's directly related to the rate adjustments that will be going into effect in July. We can work on that for sure.

Mayor Hudson said we also have commercial customers and school board. We have a lot of customers not just residential customers whose will be affected by this and so it's -- it's a big education job, I think.

Mr. Cisneros said it is.

Mayor Hudson asked so are you looking for a motion Mr. Chairman?

Chairman Fee said I have one question though because I want a little bit of clarity. So, $19 million dollars is what we are going to reallocate. We have $1 million in contingency. Where is the rest of the $18 coming? Where are we taking that from? Our cash on hand? Are we cutting something out of the budget or reducing?

Ms. Mika said it will come from our operating reserves. We have PCA that going to be going into effect -- changed the adjustment on July 1. That will fund it.

Chairman Fee said supplement it.

Ms. Mika said yes. Those numbers on the projections were taken into account when we presented the PCA at the last meeting.

Chairman Fee said excellent.

Mayor Hudson said we better hope there's no hurricane.

Chairman Fee said why are we even saying that right now. We will take a motion. We really don't have much of a choice on it.

A motion was made by Mayor Hudson, seconded by Mr. Lammers and unanimously carried to approve additional funding for Electric Purchases for Resale in the amount of $19,000,000, from Florida Municipal Power Agency (FMPA), of Orlando, Florida for FY 2022.

Mr. Cisneros said thank you, Mr. Chairman. The next item is a request to approve additional funding for natural gas purchases for resale. The request directly related to the increase in fuel cost for natural gas distribution from Florida Gas Utility. Barbara Mika will also present this item.

Ms. Mika said yes, thank you Mr. Cisneros. This item is very similar to our last request. We're looking for approval for additional funding for natural gas purchases resale in the amount of $2.5 million dollars from Florida Gas Utility of Gainesville, FL and also to approve the use of those contingency funds towards that $1.5 million dollars until such time that the annual budget can be approved. We will adjust the annual budget. Our original request, again what we thought a year ago is we were going to need $2 million dollars. We will be amending our budget for our gas purchases to $4.5 million. The $2 million dollars was based on an estimated cost of 41 cents per ccf and our current billing at 87 cents per ccf. The rising prices are forcing us again to do this and again, the money will be absorbed through the purchase gas adjustment to pay for this. We are asking to use the contingency money that we have out there. We only have so much of it to use and that is budgeted so part of this is budgeted or will be.

Chairman Fee asked any questions of the Board?

Mayor Hudson said I will make a motion to approve, but I don't have any appetite for this anymore.

A motion was made by Mayor Hudson, seconded by Mr. Lammers and unanimously carried to approve additional funding for Natural Gas Purchases for Resale in the amount of $2,500,000, from Florida Gas Utility (FGU) of Gainesville, Florida for FY 22 and approve the use of contingency funds in the amount of $1,000,000, until such time the Annual Budget is approved by the City Commission.

Mr. Cisneros said Mr. Chairman the next item is an information presentation for the April 2022 bill comparison. Michele Harris, Finance Manager, will present this item.

Chairman Fee said I really think we need to have Miss Gibbons sit through this meeting and really feel all the depressing news that we've had thus far. Something tells me this is not getting better.

Mr. Lammers said well maybe she can forgo that if we volunteer her for these public meetings. Chairman Fee said anyone care to make a motion?

Mr. Cisneros said I think that's a great idea.

Ms. Harris said thank you Mr. Cisneros, Mayor Hudson, Chairman Fee and board members. I am presenting to you today the monthly update of the comparison of Florida Municipal Electric rates published by FMEA and the local Treasure Coast utility bills for April.

The first graph shows a comparison of residential electric rates for 1,000 kwh of consumption for the 13 municipal utilities which are members of the All Requirements Project. They are displayed and ranked based upon their base bill amount. Our April rates at $134.84 shown with the yellow bar we remain in the same position as we were last month. We did change this graph a little bit to show the base bill amount for all the ARP members just so that you can see that even though we're on the higher end sometimes it's only cents or even dollars that can make a difference with one position. We're really only 20 cents higher than Ocala, $2 separate us from Green Cove Springs and a little bit more than $2.50 for Havana. It paints a picture about how close the middle utilities are to each other.

This graph displays a comparison for the same level of consumption, but includes all the municipal utilities in the state. Again, our April bill for this level of consumption is $134.84 and again, we're a little bit higher in comparison to other 31 municipal utilities. We remain the same position that we were last month. While we maintained our rates for another money 14 of the other 31 municipal utilities implemented increases. The overall impact of these rate adjustments resulted in the increase $2.23 for the ARP average and 87 cents for the municipal average.

This graph presents a similar comparison for the consumption of 2500 kilowatt hours. Our April bill at $339.80 ranks us to the far right of this group as well, but we remain in the same position that we were the month before. Our rates for 1,000 kilowatt hours and 2,500 kilowatt hours are slightly above the ARP and the municipal average, but we are below the IOU averages.

This table displayed is the April comparison of the average residential utility bills on the Treasure Coast. FPUA's utility bill for all three services provided are inside city limits and shown in the first column in blue. All other bills in this table have electric services by FP&L and water and wastewater services by the locality's provider. The blue column represents FPUA's utility bill using the standard level of consumption 1,000 kilowatt hours for electric and 6,000 gallons for water. The smaller table below represents the actual average for the reporting month. So, during the month of April, the average consumption for residential for electric was 780 kilowatt hours and 5,000 gallons for water. There have been no rate changes to the April bill since March

comparison was presented, but just to highlight and reiterate something that the gentleman said from FMPA that FP&L does anticipate an under recovery by more than 10% through the end of 2022. Their customers may find out by July the increase to their monthly bills because that's when utilities have to report to the PSC where they stand at the end of the six months. So, in July they had to report in April. They reported to the PSC that they were expecting to be 10% over. I guess utilities have to report to the PSC anytime they are expecting an 10% over or under recovery. In July they will have to report how they stood in the first six months. So, hopefully FP&L customers will be hearing in July what's to come.

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

Chairman Fee asked any questions? Thank you.

Mr. Cisneros said thank you Michele. The next item is an information presentation for the April 2022 quarterly financial operating results. Barbara Mika will present this item.

Ms. Mika said thank you, Mr. Cisneros, Chairman and board members again. Good afternoon. I have to present to you the financial operating results for April of 2022. Some of the highlights for the 7 months to date for the fiscal year we had year to date operating income of $4,824,000. This was $659,000 lower than the same seven months from last year. The higher cost of our purchases for resale was the main reason for the decline in the operating income. While year to date operating revenues of $8,047,000 was an increase over last fiscal year, the cost of purchase power for the first seven months rose 31% over last year. That was the main reason for the operating revenue increase. Our total operating expenses were higher by $8,706,000 or 19.9% over the previous year.

After the adjustment for the distribution to the city, our April year to date net increase in net position was $1.8 million. At the end of April after the payment of that city distribution and our March debt service, our operating days of cash stands at about 56 days. The electric operating revenues less the power cost in comparison to the consumption, fiscal year 2022 operating revenue less the cost of power cost is up from last year by 4% and overall 5% for the two years with consumption remaining level over those two years. It went up and dipped back down. The cost of purchase power has increased $6.2 million dollars on average when compared to the same seven-month period a year ago.

Water operating revenues in consumption in fiscal year '22 April our water operating revenues were $11.6 million. That's up 2% from last fiscal year and a combined 7% for the two years since fiscal year '20. Our consumption remained flat from last year, but up 4% over the two years. Our wastewater operating revenues and gallons that we have billed for fiscal year 2022, our operating revenues of $8.4 million were up slightly just about 1% from last year. While experiencing a

decline in the gallons billed of about 3%. However, the combined two-year increase in wastewater operating revenues was about $529,000 or about 6% over 2020.

Natural gas operating revenues less the cost of gas in comparison to our consumption, our natural gas operating revenues less our gas costs continue to climb for the two years since 2020. Revenues net of those gas costs were up 1% over last year and a combined 6% for the two-year period and consumption for two-year totals are up to 7%. Our gas contract sales have increased 13.9% in the current seven months over the same period last year. In regard to the cost of gas for the 7-month period reporting has increased $766,000. This is a 26% increase over last year. That's the cost of gas.

Our operating income and our debt service, debt service coverage ratio is the ratio of the 12-month average of our net available income, to our current debt service. For the twelve months ending April 2022 our debt service ratio was 3.43 times and our ratio at the end of September was 3.54, September of 2021. This is all within our covenants so that we maintain a minimum of the 1.25 times.

This item was for your information and if you have any questions I would be happy to address them.

Chairman Fee asked any comments from the board? Thank you.

Mr. Cisneros said thank you, Mr. Chairman. The next item is a brief update on the Weatherization Education Outreach Program (WEOP). Daniel Retherford will present this item.

Mr. Retherford said thank you Mr. Cisneros. Good afternoon Mr. Chairman, board members. Danny Retherford, Utility Support Services. This is definitely a program that our group specifically is very excited to dig into. We think that there's a lot of improvement here. The WEOP is the Weatherization Education Outreach Program. It's jointly funded and jointly operated with the city of Ft. Pierce and FPUA specifically the facilities group. Currently this program is administered through the city of Ft. Pierce. They kind of handle which applications are approved and they kind vet the thresholds for earning and decide which folks can receive the benefit. FPUA -- we handle the operation side. We go meet with the customer. We meet in their home. We do inspection services. If they qualify and they meet all of thresholds for funding we actually administer. We get contractors in. We do things like insulation. We can do some window caulking. We can do some painting. We do things that basically affect the efficiency of the home. We can do some exterior door replacement. If you can see a light through the door, if the door sweeps are off, if the door is jostled it just doesn't fit in there properly. Anything really that lets conditioned air escape. You can appreciate that's money flying out the window, so things like that is what the WEOP program tries to get after. We also have an educational component in which we try to teach the homeowners how to reduce their bill either with low flow energy efficient water

faucets whether it's how to adjust and set their thermostats and air conditioner. There's educational and operational component. It's also funded jointly with the city of Ft. Pierce. The city of Ft. Pierce has a federal component that they get annually that they pass down to us for the WEOP and FPUA has increased their budget through the last few years up to the tune in the neighborhood of $150,000 annually. And speaking of the city of Ft. Pierce and they are part of the federal funding and our initial look at this, we believe that, that's how all the applications and all of the thresholds and rules surrounding this program were set based off of federal programming. So, you can imagine those can be quite constraining.

What have we done so far? We had -- last month and -- in May Mr. Cisneros directed the DUSS group with the addition of Rachel Tennant to take a look at grant opportunities and different funding mechanisms to make sure we are spending the money properly and how can we better get after that budget. Historically, we're spending about 50% or less of the allocated funding for that program. That tells us that either we don't have enough people on the project or that not enough people are qualifying. We are not sure why that's so. We do know that we ought to be able to do a better job and spend the funding that we're given. So that's our first step. We've already met with the city of Ft. Pierce. They're going and taking a look at all of their constraints and how the rules were developed. What they believe that they could maybe loosen the strings up a little bit on so we can better serve and we're doing the same thing on our end. Past that I don't have much of an update other than we're excited about this. We're digging into it. We intended to start a couple of weeks ago and we had a little surprise with the PCA so we've been concentrating on that, but we are getting after this. In 30 days or so we do expect to have a good update what we expect this to look like moving forward and how we think we can better spend the budget that you're giving us for these
programs.

If there's any questions I will be glad to answer them.

Chairman Fee asked any questions of the board?

Mr. Lammers said Mr. Chair, not necessarily a question maybe more of a comment. One of the things I've been interested in for a while is taking our information of square footage of residents and taking the same information we have about that particular resident and the energy that they've used; right and doing some sort of an analysis on energy use per square foot. Once you sort that and figure out whose used the most energy per square foot then we can proactively reach out to those customers to say, hey, we have this program available. We would love for you to apply, this is how you do it and have someone walk them through that. So, we can really start trying to get these types of funds into the hands of people who would most help. Is there any ideas or thoughts on approaching our customers that way?

Mr. Retherford said Mr. Lammers that's good question. That's one of the exact topics we discussed in the meeting so far is how do we turn this project or this program from reactive you

come to us program into a proactive we've got most of these things at our finger tips. We can look at databases on the property appraisers web site. With a few click we can attach databases. We can become proactive with this. The very science and analytics that you are talking about is exactly what we are looking at. So, yes, we are looking at all of these things, how can we be proactive with this. We have spoken to a couple of nongovernmental groups on the outside on how do they vet earning thresholds. What do the thresholds look like? How do the folks get on their lists? Currently, we vet the earnings thresholds to make sure these folks qualify. There're other programs out there that have already done this. We can maybe remove a portion of that, that manual labor and man hours and effort we put through our end and adopt other lists that's already done this. They've made sure they earn a certain amount as business owners or homeowners or whatever. We are looking at all the avenues. We have a vast notebook of all the things and ideas that we think we want to do. We have to vet them one by one and figure out what will work and what will not. All within the rules of the funding that we are given. We have been proactively on the phone with many other utilities to see what they are doing and how they spend their money. How are they allowed to spend their rate paying money on these things? We're figuring all these things out. We're not assuming that it was done right the first time. That's a lot of what we are doing. The analytics portion of what you're talking about to become proactive that's a really good conversation on our list.

Mr. Lammers asked are there any programs for businesses? This is only for residential; correct?

Mr. Retherford said this is residential. I haven't come across with my conversations with anyone so far for whether a proactive or even a weatherization. There're some cost defraying mechanisms with some of the utilities for businesses for who fall on bad times for payment. I've seen some of that, but I have not seen anything for any type of weatherization for a business no.

Ms. Bennett said I have a question. A large percentage of Ft. Pierce residents are renters. They are not homeowners. Are there any incentives for the landlords to be able to use this program so that they can make the homes more energy efficient?

Mr. Retherford said currently right now with the current program that answer is no. This program is mainly for homeowners and not for renters and general quick answer terms. That is one of the things that we are going to try to address is to loosen the strings up a little bit and try to figure out how do we work with landlords to affect the properties that they have out for rent. There are going to be some challenges that with the funding that comes from the city of Ft. Pierce being federal money. Federal money going through HUD it requires some ownership type strings to be attached to that. That's a smaller portion of our overall budget for the WEOP. After we do our homework and run this back through the board and we get approvals, etc. One of the things that we may bring back is we may bring back a request for FPUA to use their funding without that caveat. It will require a different application process or different application thresholds and different things. We will work on that. We realize that's one of the main factors keeping folks from using this. That's at the top of the list to figure out how do we work within the rules and

guidelines that we have and still accomplish exactly that. That's one of the challenges that we have in front of us.

Mayor Hudson said Mr. Chairman, the obvious reason is if you improve the quality of the home, you're improving the landlord's asset. So, perhaps it's something that the landlord should be doing him or herself; right? I think that's one of the obstacles; isn't it?

Mr. Retherford said it is. We do have some ideas don't get me wrong. We met with the landlord association, Rachel did and we floated some ideas. Maybe there's a one-year or two-year rent increase freeze. Maybe we agree to put so much money in maybe $5,000 total benefit to the home. In return, the homeowner, or the homeowner (landlord) would agree not to raise the rent for a few years -- year or two or something. Something to incentivize the landlords to get with this program and allow us to come in and make these improvements to the benefit of the person renting the property. They are the one paying the power bill. We have some of these thoughts. We have lots of great ideas. We've got some of our best minds on it, so we're coming up with a lot of different things that we have to vet. All of these ideas take a lot of time to go figure out. First is, is it a good idea? Will it work? Financially? Does it work for the people, landlords and the customers and then legally can we do it? A lot of homework with each of them, but we are working on it.

Chairman Fee asked any other questions?

Ms. Bennett asked is there a time line that you all -- you say you are working on it. How much time are you going to set aside to make sure that you come to your end result on this?

Mr. Retherford said so, I think we will take a pretty aggressive approach. Likely, next month this time I would like to come before you and say here's a plethora of ideas and things we would like to do. I would like to have a discussion and see where the board would like us to go. I'll have some staff recommendations. Maybe in 30 days we can have good ideas and maybe in 60 days we can have something in front of you with meat that you can vote on.

Mayor Hudson said Mr. Chairman. In the past, this program has been labor intensive, but I think very productive for the company even because when you help a rate payer they spread the word that you helped them. And so, it's one of -- I think it's one of the best things we do even though I know its labor intensive. It really is, but it is one of the most helpful things that you do. It's my understand -- sometimes, somebody can have an inefficient air conditioner unit or whatever and old one that doesn't work properly. FPUA doesn't replace that, but can make recommendations and there might be programs that might help them with the cost. In the process of doing all this improving the housing stock, you are also helping the customer and you are putting a face of the company with the customer. They know -- here's the person who works for FPUA that I know is trying to help me. I'm glad we're looking at the program and getting -- maybe getting some

different system and maybe branching out so we can help more people. I know in the past we've talked about we have funds left over. Are we still getting funds from FMPA for this?

Mr. Cisneros said we are. We are still getting some funds from them. Our total budget is higher than the funds we get from FMPA, but the answer is yes.

Mr. Retherford said it's a great program. I just think there's a lot of room for improvement and that's what we are trying to get after.

Mr. Lammers said I for one would like to see an update on this program especially as long as natural gas prices are as volatile as they are. I would like to see an update on this program, maybe monthly. I think it's that important right now.

Mr. Cisneros said we can do that.

Mayor Hudson said that would be great.

Chairman Fee said thank you.

Chairman Fee said I think we have a resolution.

Mr. Cisneros said yes sir. The last item this afternoon, is to adopt a resolution UA 2022-13 which will amend and supersede UA 2013-09 related to rules and regulations for customers of the wastewater system. Samantha Rowland will present this item.

Ms. Rowland said thank you. Good afternoon Mr. Chairman and members of the board. I'm here today to ask for the adoption of resolution 2022-13. Since FPUA's last adoption of the resolution in 2013, there's been recent rule changes from the Environmental Protection Agency otherwise known as EPA and Florida Department of Environmental Protection. Also known as FDEP. Requiring FPUA to make updates to this resolution. The EPA adopted the dental amalgam rule in July of 2017 which requires dental offices both old and new to install amalgam separators to reduce mercury found in dental amalgam from entering our wastewater collection system and any receiving water bodies. Furthermore, FDEP has adopted EPA's management standards for hazardous waste pharmaceuticals effective August of 2019 which prohibits discharges of hazardous waste pharmaceuticals from healthcare facilities or any other distributors or pharmaceuticals.

The specific language required for these agencies has been added to this resolution for your approval.

Chairman Fee asked how do you enforce this resolution? Do you go in and inspect dental offices to make sure that they are there...separators?

Ms. Rowland said initially we had to send out a form to all dental offices in the area that we service asking them to fill it out and they provided us information back telling whether they had one and if they didn't why they didn't have one. Specifically, general dentists are required to have one. Anybody doings fillings. We don't go out and inspect after that. New dental offices we work in collaboration with wastewater engineers and they make sure that the specifics type of amalgam separators is installed.

Chairman Fee asked so we are not charged with enforcing it whatsoever. We just have to have a resolution to satisfy the EPA.

Ms. Rowland said yes.

Chairman Fee said its EPA duty to make sure they report responsibly.

Mr. Cisneros said I believe we work with the building department and the city of Ft. Pierce to make sure when they build something new that they have the devices in place to capture those chemicals. Any other questions of the board?

Mayor Hudson said so the only change is we're changing our rules to update with Florida regulations from FDEP and EPA?

Ms. Rowland said that's correct.

Mayor Hudson said okay. I didn't read the whole thing. I want the cliff notes; right?

Chairman Fee said I think we need a reading of the resolution then we vote.

Ms. Sabota said Resolution UA 2022-13. A Resolution Amending, Superseding and Rescinding the Rules and Regulations contained in Resolution No. UA 2013-09 for the Customers of the Wastewater System of Fort Pierce Utilities Authority, Fort Pierce, Florida; amending sections I-3, II-2, II-10, II-13, II-15, IV-12 and V-14 to define food service classifications, redefine present food classifications, include dental amalgam, pharmaceutical and animal grooming facilities; repealing all resolutions or parts of resolutions in conflict herewith; and providing for an effective date hereof.

A motion was made by Mayor Hudson, seconded by Ms. Bennett and unanimously carried to adopt Resolution UA 2022-13. A Resolution Amending, Superseding and Rescinding the Rules and Regulations contained in Resolution No. UA 2013-09 for the Customers of the Wastewater System of Fort Pierce Utilities Authority, Fort Pierce, Florida; amending sections I-3, II-2, II-10, II-

13, II-15, IV-12 and V-14 to define food service classifications, redefine present food classifications, include dental amalgam, pharmaceutical and animal grooming facilities; repealing all resolutions or parts of resolutions in conflict herewith; and providing for an effective date hereof.

Chairman Fee said Mr. Director.

Mr. Cisneros said yes sir Mr. Chairman. The first thing is the Utility Advisory Committee was not able to officially meet on June 8th due to lack of in person quorum. There were five people and one person was on the phone, but technically we have to have five people in person to have the meeting. So, their first official meeting will be July 6th. You will see more from us.

Earlier this afternoon before the board meeting Jill distributed the agenda overview for the FMEA annual conference on July 12th. You'll see that you don't have to rush because registration does -- it's open until 5:00. But there's a welcome reception after that. The following day we have the FMPA board of directors meeting and the executive committee meeting. If you haven't attended one of those meetings in past, I would highly encourage you to attend, because you get a chance to see the board in action so to speak. And after that the FMEA board of directors will meet. The agenda hasn't been released for that board meeting, but I imagine it's probably focused around fuel prices and some regulatory issues. That evening there's a reception for honoring elected and appointed officials which obviously would be all the board members here. It's a great opportunity to talk to other people who make decisions for cities so it's a good opportunity to rub elbows with other city, elected, and appointed officials. On Thursday, we have an exciting morning session and then we get a little bit of pep talk before lunch from Derrick Brooks. He's a pro football hall of famer. They have a guest speaker every year. That's the guest speaker for the conference this year. Then we have some interesting breakout sessions so you can pick anything of specific interest to you and the annual banquet is that evening from 7:00 to 9:00. It will be a late night. I will be happy to answer questions about conference. It should be a pretty good conference.

This Thursday I will be at FMPA in Orlando and we'll be reviewing some of the price guarantees that they completed last week. They did some for the 2023-2024 season and the 2024-2025 season. A much smaller percentage so for the next season they completed, I believe, 50 or 55% price guarantees which was pretty good. It brought the price down quite a bit. As soon as that information is available I will make sure to share it with the board members either Thursday or Friday. We're working on a budget billing campaign for our customers before July 1st. This will help customers with upcoming rate adjustments and increases to PCA due to the fuel prices. Budget billing does help our customers to avoid season high and lows. If a customer has a past due amount then what we will do is work with them to put them on a special payment arrangement.

The goal there is to avoid any disconnect by all means possible, but we will have a couple of options. We will have a budget billing option or SPA option. That's something you will see that FPUA will campaign through Facebook and our website and maybe even through some in-person sessions.

Last thing is at 11:30 this morning we officially closed on the 2022 bond. The funds have been transferred to our accounts and we will get to work on all the initiatives that were part of the bond funding. My goal is to bring a monthly or every other month status report to the board on the funding and the projects related to the funding and maybe some other updates like the WEOP project. We will make sure we include some of that information and that report very similar to what Nick does for the city of Ft. Pierce. He does a, I believe, a monthly or every other month update. We will do something similar to that. That's all I have for the board today.

Chairman Fee said thank you. Any report of the Attorney?

Attorney Koblegard said yes, to follow up with what Javy just said congratulations this morning was copied to 33 entities and people. You just don't realize what a massive project that was to get this bond completed. It took year and a half?

Mr. Cisneros said a long time.

Attorney Koblegard said many, many, many meetings, but it's done. For better or for worse it's done.

Chairman Fee said well it gives us an opportunity to move forward.

Mr. Cisneros said yes sir it does.

Chairman Fee asked any other comments of board members?

Mayor Hudson said Mr. Chairman, did you make hotel reservations for everybody?

Mr. Cisneros said yes, ma'am. Jill took care of that.

Ms. Sabota said I will have folders for you at the next meeting with all your information.

Mayor Hudson asked two nights I'm assuming?

Mr. Cisneros said no it's three nights.

Ms. Sabota said three nights.

Mayor Hudson said well I'm only staying two. I'll talk to you.

Mr. Cisneros said I would also you just reminded. Most likely our intent is to have Dan O'Hagen from FMPA here at the next board meeting before the conference to talk a little bit about Sunshine law. Good little refresher before we go to the conference.

Mayor Hudson said so Mr. Chairman, so FMEA sponsors this conference and so maybe some of the new board members don't know the difference between FMPA and FMEA so that might be helpful.

Mr. Cisneros said I will make sure to follow up. They are two different organizations.

Mayor Hudson said right, thanks.

Chairman Fee asked any other comments?

Mr. Lammers said Mr. Chair just a few. One is in our communication in trying to educate our customers on the increase to natural gas fuel prices and how that is tied to the decisions we have to make up here, I think it's prudent to make sure that we're framing the message in that listen it's not FPUA against the customer. It's we're responsible for managing your utility. This is your utility. We're trying to do the best we can with what we've been entrusted with and that's what we believe we're doing.

The next comment I had was as far as what Mr. Koblegard said about how big of an effort was for the bonds. From what I'm seeing and I've been involved with the utility in a long time, I've never seen things move as efficiently and effectively as they have seemed to have moved since I've been up here. It's pretty impressive from my point of view. I think a big thank you needs to go out to Javy, you and the staff. I think that's highly appropriate.

Mr. Cisneros said thank you.

Mr. Lammers said lastly a little bit more lightheartedly is that Mr. Koblegard mentioned before the meeting that many years ago they would take a vote at the beginning of every summer season to change the dress code and maybe allow a little bit less formal attire and I would be a big fan of that. If any of the board members were.

Chairman Fee said it's hot to wear a tie.

Mr. Lammers said it's so hot right now.

Mayor Hudson asked do we have to have formal action?

Mr. Cisneros said no we do not, but.....

Chairman Fee said I was just going to break the rule anyway.

Mayor Hudson said you are the chairman you get to set the tone.

Chairman Fee said okay the meeting is adjourned.

There being no further business, the meeting was adjourned at 3:09pm.

ATTEST:

SECRETARY

CHAIRMAN