MINUTES OF A REGULAR MEETING OF THE FORT PIERCE UTILITIES AUTHORITY, TUESDAY, JUNE 7, 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; Craig Crawford, Acting Director of Electric & Gas Systems; Bo Hutchinson, Director of Water/Wastewater Systems

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

Opening Prayer was by Jason Mittler of Manager, FPUAnet.

The Pledge of Allegiance was recited.

The roll was called and a quorum declared.

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

A motion was made by Mrs. Gibbons, seconded by Ms. Bennett, and unanimously carried to approve the Minutes of the Regular Meeting of May 17, 2022.

Chairman Fee said we will now move to the Consent Agenda. I would like to remove Item No. 5 and vote on that separately. If all the other Members of the Board are agreeable as to items 1, 2, 3 and 4, we can make --

A motion was made by Mayor Hudson, seconded by Mrs. Gibbons, and unanimously carried to approve items No. 1, 2, 3 and 4 of the Consent Agenda.

1. Rating Agency Fees for 2022 Bond Issuance – S&P Global Ratings
2. Rating Agency Fees for 2022 Bond Issuance - Fitch Ratings Inc.
3. Approve budget transfer of $10,000 to the 69 kV Breaker Replacements project for lockout relay enhancements and engineering drawing review. The funds for this transfer are available in Project 594.
4. POA No. 19-66: Approve the Budget Transfer Request in the amount of $65,000 for Cape Canaveral Scientific Inc.

Item No. 5 my law firm is handling the closing on this so I need to abstain from voting. If anyone wants to make a motion to approve please do so.

A motion was made by Mayor Hudson, seconded by Mr. Lammers, and unanimously carried to approve item No. 5 of the Consent Agenda.

5. Adm-Annex Parking Compound Property Adjustment

Chairman Fee said alright now moving on to Recognition of Excellence do we have any, I don't believe so. I don't believe we have any Old Business so now we're moving forward with New Business Mr. Director.

Mr. Cisneros said Thank you, Mr. Chairman. Good afternoon Members of the Board. The first item this afternoon is the FPUAnet update. Jason Mittler and Rachel Tennant will present this item.

Mr. Mittler said good afternoon, Mr. Cisneros, Mr. Chairman and Members of the Board. We are super excited to share with you the progress that the FPUAnet team made towards network deployment. Before we start our presentation, I will be giving you a quick overview of the agenda. This presentation will be jointly presented with Ms. Rachel Tennant the public affairs and sustainability manager. This slide shows a high-level outline of the agenda this afternoon and we'll be presenting high-level time line and
progress update work completed so far. We've broke them into two groups for you sales and support and utility build out. The next we'll be giving you a high-level update on a few major projects. Then a sneak peak of FPUAnet branding and marketing and an overview of some community outreach and recognition and finally a quick legislation update. With that being said, I will hand it over to Ms. Rachel.

Ms. Tennant said thank you very much Jason. Chairman Fee, Mayor Hudson thank you all for having us today. The point of the next two slides is really just to give us an opportunity to take a step back and look at FPUAnet as a whole. What progress has FPUAnet made as a utilities service. In addition to some of the updates that Jason will give you about the projects that we've been working on over the years. We've broken it out into support and sales as one category and utility buildout as a second category. What we are trying to convey here with support and sales is the tremendous amount of work and effort going into creating the foundation the support and sales foundation for FPUA to be able to offer fiber internet throughout our city. Some of the key items that we're looking at here, for example, in house staffing. We started out a couple of years ago with I think one staff member and we've been doing staff onboarding pretty consistently since then. We're about 85% of the way there. We're still looking for a couple of more individuals. We're also looking at some adjacent services. What we have found is that for internet service providers most customers are looking for a combined VoIP (Voice Over IP) service with that internet service. In lieu of us also offering VoIP we selected a VoIP partner so we can offer the bundled option but we don't have to get into the logistics of offering VoIP ourselves. We also got with internet service you have a need for 24/7 customer service availability if your internet goes

out at 2am and you're working on your law school paper or something like that you need someone to call, and so in order to be able to offer that, we have selected a third party help desk (NOC Monitoring) and we're about 35% of the way there. Basically, we're working on a contract with them to set up how that will work. What is the phone tree going to be? What happens when our customer service is open, et cetera. Also, these individuals are more technically able to assist with things like downed internet. That's its own sort of effort. In addition to that, we of course selected the rates and services packages. That was done jointly with the City Commission last year. Or the year before. As well as customer contract and billing processes. We're talking about adding a fifth utility service to FPUA when we talk about fiber internet. And so, some of the questions that come up are well, how does a customer contract? Because when you think about internet service you typically have a contract for a set period of time. That's something that we're working on the inside. Also billing processes how are we going to bill our customers for fiber internet as part of the FPUA overall bill or what. We're about 85% of the way there. It's still kind of dotting some of those i's crossing t's still working on some of that. There's also affordable connectivity program. Jason will touch on that toward the end. But the legislative update that this a program that is very much tied to the United States interest in bridging the digital divide or reaching digital equity and this is essentially the $30 voucher that individuals of low-income households can receive in order to get internet to their home and in order to be an internet service provider that can participate, you have to go through an entire application process. We have been officially approved and are now in a CP voucher provider. We've been working on that, then of course there's also the web site and the digital marketplace launch and the branding. And so, as we launch and as we build out and get into the ground, we need to have somewhere for individuals to come to sign up, look at what our different packages are. Figure out our contracting and compare the services, et cetera. We been working heavily on this. This is support and sales. This is something that I think we have spent quite a bit of time looking at the different projects that FPUAnet is bringing to the city of Ft. Pierce. This stuff has been going on in the background all along.

Next slide. We have also been doing utility build out. The utility build-out has been focused pretty heavily on these projects that Jason will talk about, but there's more to it than just that. As an internet service provider, the standard process is to have design standards, which basically functions as an engineering manual for building out. This is something that we had to have put together for FPUAnet. Basically, what it does is serve as a blueprint or a guideline for us as we select areas that we're going to build out into throughout the city. We now have our FPUAnet engineering manual that tells us how we're going to do what and how to make different decisions and materials, et cetera. So that's been completed. Also, the network design underlying infrastructure that was done prior to that. We've got fiber design for downtown Ft. Pierce. That's in progress. The fiber design for Lincoln Park is completed and construction for Lincoln Park has actually begun last week. We're already digging over there. The network design for public wifi which is citywide has been completed. We've installed free public wifi at Means Court, Manatee Center, Jetty Park and the FPUA parking lot area, admin and annex area. We're are also in the process of acquiring supplies. We need a lot of fiber to build out into the city. We're about 80%

of the way there, but we're acquiring a significant amount of fiber to move forward. Construction for downtown Ft. Pierce, the fiber design for downtown Ft. Pierce is in progress. Jason will talk on that a little bit. The construction is estimated to start in July of this year so next month. We're also looking at smart grid services so we're working with gas and electric department to do smart grid services over fiber network and that is estimated to begin construction in August of this year. And then, of course, the kiosk installation which everyone is excited to see come to downtown. Jason will give a more thorough overview of that particular project piece, but we're estimated to have them by February of 2023 and with that, I think I'm giving it back to Jason.

Mr. Mittler said thank you, Rachel. Just really quick want to give you an update on Lincoln Park smart neighborhood initiative and the downtown smart city initiative. We're reviewing the fiber infrastructure buildouts, deployment of wifi, and kiosks in each of the projects. The original Lincoln Park MOU was signed in 2019 to help bring about business revitalization in the community. The original footprint was from Orange Avenue to Avenue D, 7th Street to 25th Street. The plan included fiber loop around the outside perimeter with the installation of wifi inside of it. After evaluation the network design we found that this would require additional capital cost that we did not have budgeted as well as a significant high operational cost annually.

We're currently routing a revised MOU to the partners that will reduce the footprint to 14th street but will bring fiber to every parcel, business and home and offer free public wifi in five key areas. We're hoping that in the next few weeks we'll have this revised MOU approved from all of the partners and then we will be bringing that to you to get approved and then also be bringing our contract back with our design build contractor to get that approved as well.

The slide in front of you shows the footprint of the area that the fiber to the parcel will be built out. All of the design, engineering and permits have been completed. I'm excited to tell you that on June 1st on Tuesday the first bore machine went into the ground and so we're excited that we were actually constructing down Morris Creek as we are speaking today. Conduit is going in the ground to provide the pathway for the fiber optic cable that will begin moving into the community. All the fiber materials are on order and should be arriving by November. Once these materials have arrived Fujitsi, our design build contractor, will mobilize and the installation of fiber will begin and so we anticipate the entire project being completed by July 2023. Again, most of those things are focused on material issues as you guys have heard many times.

Not only do we bring fiber to every parcel, we selected five locations for free public wifi. The slide in front of you shows these locations. These locations will immediately help to bridge the digital divide and provide digital equity amongst the Lincoln Park community. The first site is a Means Court center which was completed in April and we already have great testimonies coming in of people connecting and actually bridging the digital divide in this community and how it's impacting families. The second location is the plaza there on Avenue D and 13th and that should be completed end of June. The third location is the SLC transit facility. We believe that this project -- this portion of the project will be completed in July. The fourth location is the Lincoln Park

community center on 13th street in August of this year and then the final location is the Morris Creek linear park on 10th Street and Avenue C. This will be a little bit delayed more toward the end of August of next year because we have to bring fiber there and that's we have to get the whole network built and then turn up that location. These areas we selected with our partners because these are areas that people congregate. This is where public wifi is typically deployed so people can access this free technology.

The second project I will be giving update is the downtown smart city initiative. The FPUA board signed the original MOU on April of last year. The MOU was for $250,000 for the City of Ft. Pierce with the funding coming from the King Plant tax credits. The initiative was to bring about the vision of the Ft. Pierce being a smart city that was talked about in 2019. It included the installation of infrastructure, fiber infrastructure to the four smart kiosks and four smart poles. Staff is currently routing internally a revised MOU for $540,000 that contains an additional $290,000 from the transfer of the property to the city of Ft. Pierce for this Kings Landing project. This new MOU will include fiber infrastructure to all buildings from east of the railroad from Seaway Drive to Citrus Avenue. Public wifi in three public areas and again the installation of the four smart kiosks.

This slide shows the location of the fiber build out. It's broken into three zones for time lines. Zone 1 is from Avenue C to Orange Avenue. Zone two is from Orange Avenue to Citrus. Zone 3 is from Avenue C to Seaway Drive. Zone one engineering design and permitting is completed. We're hoping to start construction sometime in July hopefully being able to finish in November. Zone 2 we're planning to have it completed in February of 2023 and Zone 3 starting of construction in June of '23.

This slide shows the public wifi that will be deployed in the downtown area. We selected three key areas that again where people congregate and there's events that are held. One is the Manatee Center. We were able to deploy that currently. If you go to the Manatee Center today you can connect to FPUAnet's public wifi. That was completed in May. Marina Square which the design was just completed last week and we should have that deployed in November. The River Walk which the design will be completed in July and should be deployed sometime in May of 2023 or at least by that time. In addition to the public wifi and fiber build out, the smart kiosks are shown on this map. So, the revised MOU is going to include four smart kiosks that were there before, but in different locations. Unfortunately, the vendor that we were working with was not able to provide the solution that we hoped, good news we have a new vendor and we are currently in contract conversations with them. I talked with them today. We talked about taking a visit to Tampa where they're doing installs possibly next week. We're hoping to bring that contract to the board hopefully next meeting.

This slide shows the new locations. We hope to get the kiosk installed by February of 2023. With that you can get a sneak peek of our marketing and branding.

Ms. Tennant said thank you, Jason. Just to sort of reiterate, Jason gave a few updates on Lincoln Park and the downtown fiber projects or initiatives that we have going on through FPUAnet. But when we talk about FPUAnet we're talking about an entire utility service. When we look at the marketing and the branding, we really had to take a step back and think to ourselves, about the broader offering that we are putting together here. One of the first things that we came to was this notion and this sort of branding piece that we are or consider ourselves to be a smart city internet service provider. What this means in practice is that we are here to bring smart city technologies to the city of Ft. Pierce; this is through things like the smart neighborhood initiative in Lincoln Park, smart city initiative in the downtown area, and smart grid through FPUA. We have to build out the fiber in order to do those things anyway and while we are in the process of doing these things, our customers and our residents have the opportunity and option to connect to that fiber so that they will have fiber – very fast fiber internet to their home on business. This is something that can help distinguish us as an internet service provider not only are we here bringing smart city fiber anyway, but also, we are community focused. So, what you will see in the campaigns and I will go through them relatively quickly just as a little bit of a sneak peek and not to take see much time. You will see an emphasis on the city of Ft. Pierce. On our community and on our home and on this idea that if you choose FPUAnet as your internet service provider every month when you are paying your bill, which you will have to pay any way whether it's with us or a private provide you would through us be also investing in your community and the smart city technologies of the community. And that's what we mean by smart city internet service provider.

The first one why FPUAnet..... let me back up for one moment we're working with DXTel which is a company that does branding and marketing materials for municipal internet service providers like us. They work with us to develop products that are specific to our needs and to our community. They have worked with us to put this series of things. What you can see here and the why FPUAnet campaign is really an emphasis on the city of Ft. Pierce. You can see in the photo we took of the structure that's next to the Backus Museum, the Fort Pierce sculpture. There's the image of the state of Florida and it says your local fiber network is coming soon. This functions as a bit of a coming soon advertisement, but can key keep going even throughout. We're also see because Ft. Pierce deserves options for faster internet. This was another one of sort of the behind the language, not only are we bringing internet, but yes there are internet options here in the area. If you have options, you usually have a little bit more control over what you pay for that internet. At this point, everyone realized on internet in one fashion or another. It's always a good thing to have options. That's kind of built into here as well. Of course, salty air, sunny skies and smart city.

This is a yard sign and so the same idea we're hoping that as we move forward and we build this customer base they will feel proud to have chosen FPUAnet their community internet service provider and something that may want to put on the yard outside their home or business. So, we have a yard sign we can print. This is the salty air sunny skies smart city imagery that we can use. These are print ads that we can place in different magazines or on Facebook. The idea here as

well is to just recognize that we do have different sets of potential customers. This is sort of the marina or waterfront base for us. There's also the speed up stay local. This one is my personal favorite because it's versatile. We did use Avenue D to make the first one and what you can see here is this idea fiber internet smart city services and smart grid solutions coming soon to Ft. Pierce. But what we can do the change the image, the background image to images throughout the city of Ft. Pierce. As long as we can get a runway focus, and we can take this and go throughout different areas of Ft. Pierce to show, hey, this is all of Ft. Pierce. So, stay tuned right now this is the only one.

We also put together signage for the free public wifi. The Means Court ones are being printed now and will be done by the end of this week. It tells you how to log in, to access the free public wifi. We're also in communication with the city to get the rest of the signs approved because those are all going on public properties, so Jetty Park, etc. We also have these banners that could go up on I think the light poles was the idea. We like them and we will see what we can do with them. We also put together local service for local businesses campaign. As Jason was saying the construction for downtown Ft. Pierce is slated to begin very soon and as is true with all of the marketing that I've been showing you, we are hoping to be ready to hit the ground running. As we build out, we are already ready to walk into these businesses and these homes and show them what it is they are signing up for and to advertise so that we can bring individuals on. This is -- just campaign local service for local businesses comes with a couple of postcards. Just saw something nice. The postcards especially are photos of the downtown area. And most importantly, I think is the web site. This is a mockup of the FPUAnet web site. The most important piece of this website is the little blue rectangle on the left-hand image. That's a cloud fiber tool. What that allows anyone to do is to put in their address and whether they are resident or a business. Click the next button and it will tell them whether or not we already offer service in that area. If we do not yet offer service in that area, we -- their address will be added to a list. We can use that information as we can categorize it to show individuals this how many people have told us in your area they are interested in internet. If you really really want us to come to your neighborhood tell everybody to go in and put their address in this web site. That's our indicator that we need to add you to the top of the priority list for build out. This will be true for residents and businesses. That I think is the most important function as far as building out the utility and what this web site will do. Of course, it will also talk about our community endeavors, things like Lincoln Park, smart city initiatives. It gives products and pricing and if internet is available in your area you can also sign up for it from the web site. This is slated to be done before the end of this month. We'll go live as soon as possible.

That's my review of the marketing stuff that we've been doing so far and sort of in line with all of that, in addition to doing the support and sales foundation stuff and of course the utility buildout. We have been doing marketing, community outreach and recognition. We've been -- Jason went to Texas earlier this year and received a Cornerstone Award on behalf of FPUAnet which he was able to come and present to you earlier this year. That's was a very big deal that's a national conference and even the contractors that we've been working with are bragging about

this award we received. So, this is exciting. We've also been on two broadcasts in the last couple months. Community broadband was Jason and Mr. Cisneros and then Broadband Bunch again with Jason and myself. The main thing with these podcasts is that they reach out to us and invite us to interview on them. Because they are interested in what we're doing. They are watching us as we built out this utility from a municipal perspective and there are other municipalities that are in similar places or considering being in similar places and they want us to share this information because what we are doing is important and real and now. It's exciting to even be invited.

The national articles which were done in January and December. Those are just on community networks and broadband communities. Those really targeted this utility as trying to bring affordable fiber and also working with the partners like Allegany, St. Lucie County, and the city of Ft. Pierce. That's was my very fast version of all the above. Thank you very much.

Mr. Mittler said thank you Rachel. As you can see there's been tons of work put into the utility unit. I want to thank Rachel for her time and effort she put into the marketing and branding. She's done a great job. Super excited to be able to launch this. As the days approach for two years you work toward this and it's just amazing.

I want to give you quick legislation update. On November 9th, 2021 a $1.2 trillion infrastructure bill was passed which $65 billion dollars is for broadband and $14.2 billion of that was earmarked for the affordability connectivity benefit the ACP program that Rachel spoke about. This benefit provides a $30 per month voucher to go towards resident's internet service bill. There are many ways to qualify for it. A few are if your income has to be 200% below the poverty guidelines. You could participate in certain government assistances, public housing, Medicaid, Wick. If a student is approved for benefits of free or reduced lunch at a school, maybe you received a federal Pell grant all these individuals could sign up to be an ACP approved individual and we could be able to provide service to them. This is so important as we launch into Lincoln Park, because the demographic there many of them will qualify and so as we bring in this affordable high-speed internet essentially, they could get internet for free and that's super exciting. And we really feel like as we launch into the community it will be a major benefit for those involved.

The second thing I would like to mention is the Florida Office of Broadband. On July 1, 2020 the department was established within the Department of Economic Opportunity which was created for the purposes of developing, marketing, and promoting broadband internet service in state. This department will be funneling that $65 billion of broadband infrastructure money down to the counties. We are currently working with the counties to help understand all of the requirements for the grants that may be available to us. We want to thank you so how much for your time and the opportunity to give you this update. We would love and be happy to answer any questions that you may have. I know there's a lot of information. Thank you.

Chairman Fee asked any questions of the Board members?

Ms. Bennett said yes. Thank you, Mr. Chairman. I have several questions. First one, when will the fiber be offered throughout Ft. Pierce?

Mr. Mittler said so throughout Ft. Pierce? We're focused on Lincoln Park, downtown and then with the bonding that's coming about $2.8 million is earmarked to that. Those are the areas we have funding to build out and at the rate workshop that we talked about there were some MDU's that would be focusing on and as well as the airport and industrial park. Outside of that, you may see small pockets, because where the smart city internet service provider. They need smart grid solutions, such as gas, SCADA or AMI or various electrical components. We may say see a small neighborhood, a small street and build down that area. So, Ms. Bennett, I can't tell you that there's a specific time that fiber will be able throughout the whole city. Because at the moment I don't think we have the funding for it.

Mr. Cisneros said I want to add to that, as we build to these specific areas that we plan on deploying we will pick up the people along if way, if we can. So, for example, the industrial airport park we will passing quite a few neighborhoods and it's possible that, depending on the deployment, that the effort will be made there to pick up as many people as we can with the funding allowing us to be able to do that.

Ms. Bennett said I'm looking at different areas that are low income in district one and are we going to be targeting those areas south of 29th Street? I mean, west of 29th, there's a lot of low-income areas there, our project areas. Our 23rd Street areas. Are we targeting those areas after we target these areas?

Mr. Mittler said so, again, Lincoln Park is a good option for us to build into. Right there see what happens as far as take rate of individuals and then from there we can target any market and the beautiful thing is the crowd fiber site that we're building, we have zones and so one of the zones that I did, which you're speaking about, which is the housing project there. We could set a marketing campaign and start talking to individuals that are interested and they could submit a survey or they could submit interest and then all of a sudden, we've got 1,000 people in that area that's interested, I would come to the board and say, hey, I've got 1,000 people out of 2,000 individuals that's interested in fiber internet. Here's the design and it's going to cost $1 million to build it will you approve it and that point we would deploy. That's the whole power behind the crowd fiber solution, is because we can then look at specific areas that there's interest in and so we do intend to market to various communities.

Ms. Bennett said but those are low income areas are we going to offer the wifi free to them, also? Because they are in the same category as the Lincoln Park area.

Mr. Mittler said right so we have had conversations with the city of Ft. Pierce and St. Lucie County about making bringing public wifi to various parks. So, for example, maybe Pioneer Park in connection with the city of Ft. Pierce. Maybe that's a park that we choose to deploy public wifi.

One of the things we did was we built the network, we looked expanding throughout every park so the infrastructure is there. It's just funding becoming available.

Mr. Lammers asked have you guys happened to have reached out to the Housing Authority to see if maybe they can partner with us to get fiber to those project developments?

Mr. Mittler said not at the moment. Those are all things that can all be talked about. Our focus is, again, the projects we have earmarked today.

Ms. Tennant said I would like to add, one of the things we're trying to do is find the balance between building out a utility that brings in revenue so that it can be funded in a sustainable way and also, bring these services to areas that most need them or to public areas. At this time what we have are the downtown smart city initiative and the Lincoln Park smart neighborhood initiative which is a partnership with Alleghany, St. Lucie County and the city. In addition to those things, what we're trying to do is build out our network towards individuals or businesses that can sign up as revenue opportunities for the utility. As we move along, as we finish these for example pilot projects, we may have opportunity to draw in more parks as one that is an existing idea and kind of an ongoing thing that's developing. We're trying to be very careful about how far down that road we go before we are an established utility service.

Mr. Cisneros said I would like add that in downtown the reason we're focusing on the downtown area because we have existing conduit and we have existing fiber. So, it's really a low hanging fruit project for us. Meaning we can be very successful there very quickly. Lincoln Park is also another project because it's a partnership with the city of Ft. Pierce and the county. Everybody wants to do some work in that neighborhood. Actually, I'm very excited because you're asking about how do we get to the entire city. I'm really really excited about the question. I wish we could go as fast as we can, but it will be based on the funding available, but I think your point about do we -- have we partnered with the housing authority? Have we looked at other partners? Not yet, but we will and that's a very good point. We'll make sure to focus on working with them. Maybe the housing authority we partner with them and maybe we don't need fiber because they may be committed to doing as many of their facilities as possible. That's something we can definitely look at.

Mr. Lammers said I know when the pandemic first hit and all the students were schooling remotely. A hot topic was the school board was giving students computers, but many of them didn't have a way to connect to the internet. The housing authority project areas would, in my mind, be a ripe spot for that type of service to be offered. I understand we're trying to be a benevolent business unit. Key phrase business unit right. So, we can't be one only. So, we can't be only benevolent, but that being said, I think the housing authority could potentially, we should at least touch base with them to see if they would able to partner with us financially to get those services to those areas.

Ms. Bennett said and also, I think that as you were saying, you would apply for more grants. I feel that they probably would be more apt to give us grants if we target those areas and with what's going on in the schools now, with the governor giving monies for students to be able to go to summer school because of the drop-in education. That would help out. We can piggyback on that and say you know we are giving these kids computers, but they're going home and they don't have any way of connecting to the internet. Being able to further their education on the internet saying going online and working from home and we would be able to gain more grants that way. I just feel that if we target them, I know we're targeting downtown areas and those are areas that we are actually gaining revenue from, but if we target the grants at the same time, we will be able to reach you know reach more.

Mr. Mittler said so I think the beautiful thing that we have going is with the Lincoln Park project and the national recognition that we have specifically around Lincoln Park. The Lincoln Park community is a very similar demographic. When we build it, we then have proof that we've done it. When we go to apply for a grant, they say well what will you do with it? We'll we're going to repeat the process. We've got the model. If you help us we will put money in, you put money in, we've already got these key areas. One of the things we did last year was we did do an entire high-level design of the city of Ft. Pierce to contain over 35,000 parcels. We understand from a high level how we need to feed people and then we can target small areas such as the project area. But again, from the engineering mindset, we make sure that we've looked at the whole piece which we've done and now we can begin to select certain areas such, as you know, if you say Ms. Bennett hey we want you to target that area. We'll target it, we'll start looking for grants, all of those things are possible. We really believe that the success of Lincoln Park is going to be the catalyst of us propelling and moving forward into other areas.

Chairman Fee asked any other questions?

Mayor Hudson said Mr. Chairman, I have a question. You want to go first.

Ms. Gibbons said no go right ahead.

Mayor Hudson said first of all, on the articles -- did you send us -- I think I asked for the articles for the broadband -- where they sent? And I missed them? I don't know.

Mr. Mittler said I sent them to Jill.

Ms. Sabota said they were.

Mayor Hudson said they were, okay.

Ms. Sabota said I can re-send them for you.

Mayor Hudson said were they from you?

Ms. Sabota said I believe so, yes.

Mayor Hudson said I'll go back and look for them. Was that a podcast that you did or Broadcast?

Mr. Cisneros said there are two podcasts and –

Mayor Hudson asked was there a link for that too, Jill? Whatever, I think.....

Ms. Sabota said whatever Jason provided me, yes. I will re-send them tomorrow.

Mayor Hudson said I missed that. I'm sorry.

Ms. Sabota said that's okay.

Mayor Hudson said I remember asking that before. Well you're already starting in Lincoln Park anyway. It's just a smaller area to start with, right? With the, you're going to 14th Street and is that right?

Mr. Mittler said that's correct. So, the project itself was $1.2 million dollars and so when the MOU was originally brought about it was more of a concept. It really wasn't cost estimates and the technology was different. When we brought in and we did the evaluation, we looked at what could be done and that's when we decided to select that area because that would work within that $1.2 million dollars. Then we also said, you know, public wifi is not really a service that's sold. It's more of a service that's offered for free in areas that people congregate such as the St. Lucie County transit facility. There're tons of people that are there that can connect. Avenue C tent park it's a great place, the Means Court business incubator is a great location where the community comes out. They can connect. The community center there on Lincoln Park is a great area where people can connect. As the group of partners, we felt like that was a better objective. A better vision for us to move into. But what we did do as part of the fiber installation there's enough fiber over building of it so that we can move into that second zone if funding became available. Because, again, when this project is successful we are then can start marketing and targeting grants and say look we've done it here, we'll do it here.

Mayor Hudson said so that was my question. I think I get mixed up with all the federal bills that did or did not pass. There was an infrastructure bill; right? That passed at the federal level. There was supposed to be a lot devoted to fiber optic and digital services and internet services infrastructure. Do we have any information on that yet, or?

Ms. Tennant said yes, so the infrastructure bill is a giant beast of a thing. FMEA, I believe actually came together with all of the municipalities that are part of it and brought on a contractor

specifically and only to sort through the infrastructure bill for all of us and provide us with a digestible list of what exactly is in that bill. Fiber is one of the things that's in there. To whom does it apply. There're some limitations on the fiber. We're not sure how far those limitations go and if they're on all of the fiber money. It of course covers, infrastructure money for other things. That is coming out I think this month or next month will be the first output from that contractor. That bill provides to all of the FMEA members and that'll be our first chance to really sit down and have something digestible.

Mayor Hudson said I was thinking in terms of what Ms. Bennett's asking about. That may be a source of how to do it further the infrastructure bill since we don't, like you say, it's a beast. We don't really know what's in it and who qualifies.

Mr. Cisneros said Rachel, correct me if I'm wrong here, but I think we just hired the contractor through FMEA last month or may have been in mid-April. He's just been, the contractor has just been put on the task to be able to do this. We look to get some pretty good information from the consultant soon.

Ms. Tennant said and it will start out with a list an ongoing list as things evolve and then there's the option of us contracting with them directly if we see a need to have more support for any of this federal funding. Because a lot of times federal funding like this can be very, very cumbersome. There're some options here.

Mayor Hudson said oh, yeah. I went on the web site for FMEA for the program, for the conference. I think there's somebody talking about fiber.

Mr. Cisneros said I think you're right. I think you're right.

Mrs. Gibbons said I'm excited about this project as you guys all know. This is part of why I'm even here on this board was because of all of this. I'm thrilled to hear the growth and the action items we have in front of us. There were a few things that as you were presenting I might be a little bit different than what we had in front of us. The zones I just wanted to ask about that. You've gotten the downtown area. It looked like zone one and two on our screen are flipped.

Mr. Mittler said yes, they are, I apologize.

Mrs. Gibbons asked which one is correct?

Mr. Mittler said the one on the screen. The first zone that is being...that is currently completed and designed and will move into construction which doesn't include your location. I'm sorry. Is from Avenue C to Orange Avenue. Again, those are where all the four kiosks and the public wifi and Marina Square. That's really going to impact the community the downtown area as far as

tourism and things. The second zone which would include your location is from Orange Avenue to Citrus and then the final zone would be from Avenue C out toward Seaway.

Mrs. Gibbons said so that brings me the second question. It looks like all of these kiosks are pretty far east. I see like we have one on Second and Marina Square. Did we not want to put one by the parking garage?

Mr. Mittler said we have limited -- because of the contract and the vendors, they own it. That's what they do. This is their business. And so, it's a revenue share model. They walked downtown. They are the ones that say, this is where we need it to get the revenue and it works within the walking areas. And so, this is what their suggestions were that worked with you know for example we would love to have one on the corner of Second Street and Orange, but because of the fire hydrant, because of the businesses, there's not enough room. We have to be ADA compliant. We've got to make sure we're certain distances away from fire hydrants and all these other pieces. This is the area that seem to work best between us and them.

Mrs. Gibbons said we're just trying I know as the city we try to drive people literally drive them into the parking garage. Because we already have a parking problem. I'm only asking because that would give them an opportunity right then and there to be able to be at kiosk to find out what is going on as the entrance into the downtown area, you know.

Mr. Mittler said sure. We've talked to them about when we walked it one time. We walked by that. That's -- this is the area that they feel is going to bring them –

Mrs. Gibbons said typically you're going to have more people there congregating for sure.

Mr. Mittler said this same vendor is the individual that has been in Orlando. They're doing midtown Miami. They are doing Tampa. They've done Coral Gables...Cape Coral, sorry. They've looked at the market. This is what they do. They have got Disney and Coke and Pepsi. All these very large national brands which is basically what's paying the costs of these kiosks. These kiosks are between $80 to $120,000 depends on sizes. It doesn't cost us anything. We're just bringing the infrastructure to it.

Mrs. Gibbons said right. Now these kiosks are they kind of what's pinging the wifi as well or?

Mr. Mittler said no.

Mrs. Gibbons said okay. I mean, the free public wifi is on Orange Avenue and we're not going to have any public wifi on Orange Avenues picture? You might want to rethink the picture that is associated with it on the free public wifi page. The advertisement part of it.

Mr. Mittler said oh I see what you are saying. I got you, understood. She's referring to the slide itself. These are just mockups they could change the picture of it. And so, I think there actually will be some wifi that will be spread out toward the south of Orange Avenue with the access points and could be easily extended. The challenge was when we looked at the design, it could be spotty. It could come and go. Wireless is always that way. Sometimes it's there, sometimes it's not. It's raining, there's too much salt in the air. All these things can change the dynamics. We're trying to provide a sustainable reliable connectivity. It's our name on it. That's who FPUA is as a utility. That's who we are as an internet service provider.

Mrs. Gibbons said and my last questions, the pricing that's on here is probably not accurate, then if I heard you correctly when you said the vouchers would still cover the cost. So that there may be some other levels that are not on this.

Mr. Mittler said those are the commercial pricing.

Mrs. Gibbons said okay. I wanted to make sure that we are still going to be able to offer it for residential for a lower rate and be able –

Mr. Mittler said yes you approved I think in December or January. We didn't go to the City Commission in February I believe for the approval. Our current rates from $49 and so we're carefully looking at trying to offer a $30 rate and looking at the business plan and see so that those individuals that qualify for the ACP could access that.

Mrs. Gibbons said right.

Mr. Mittler said we do believe in Lincoln Park because of the capital being funded from other partners that we'll be able to offer those type of rates. In the resolution we included a promotional rate. Those are things that we're carefully looking at. In the next few months you may see us come back to do some rate adjustments not to increase the rates, but just to take a look at some things, add some fees, or add some various services such as wifi extenders. Again, this is a vast thing. We wanted to get some rates out there because we're looking at the bond approval. We needed to have something that we knew would work. Every day I'm learning something. Every day we're growing. Every day this thing is like you're swimming in the ocean and every time you step in there it's a new experience and it's amazing, it's so much fun to learn and grow you know and the City of Chattanooga that's going to be our third party help desk and NOC they have 120,000 subscribers. They do this with 18 other utilities. They're our partner and they're helping us learn and navigate some of these things.

Mrs. Gibbons said I'm excited. This is all really exciting things for our city to be able to have at their fingertips.

Mrs. Bennett said I have one more question.

Chairman Fee said you have one more question alright.

Mrs. Bennett asked one more okay.

Chairman Fee I'm going to take your second one.

Mrs. Bennett said okay. Most of the kiosks are on the east side. Did the company look to see where he could place them on the west side and if not, will he look at where he can put a kiosk on the west side? And who is the new vendor?

Mr. Mittler said the new vendor? The new vendor we're looking at is Liquid Outdoors. Again, they looked at the entire downtown. Obviously, it seems like for the board's pleasure would be something maybe a little bit further west. I have a meeting with them Thursday. I will mention it to them and say he look is there a possibility for us to look at, again, this is their business model. This is what they've done and know. They are in digital advertising and one of the beautiful things about this revenue share agreement, you know we're going to be receiving revenue for this and those monies are going to be allocated toward smart city initiatives such as paying for this public wifi. Everyone wants a smart city, but no one wants to pay for it. We're bringing creative solutions to help monetize it and pay for itself.

Chairman Fee said that's both questions correct?

Mrs. Bennett said yes.

Chairman Fee asked can you bring the slide back up with the pricing for me? Concerning the commercial plans. I can't really read it it's kind of small. You have what looks like 100 by 100 maps.

Mr. Mittler said yes sir.

Chairman Fee said so is that the speed that you are offering? So, the fiber optic cable is broken down into speeds that you want to get information on. Is that the way you understand it?

Mr. Mittler said yes so, we're offering different speed tiers just as any other provider would. The major difference between us and any other provider that's not completely fiber is the second number on there. The second number is the upload speed and oftentimes when you look at another cable provider, they will give you a gig, 1,000 megabits per second by 25. Fiber allows us to provide symmetrical meaning the same speed down and up and in today's world with the new technology such as Zoom or anywhere that you are sending information from where you are to another location, that's considered upload. Our speeds will be symmetrical, which is great for businesses especially engineering firms or people that are sending or receiving. You are a law firm that needs to send a large data pocket and it's taking forever....

Chairman Fee said a lot of that.

Mr. Mittler said no problem. That's what we specialize in. That's the major difference between us and significantly better reliability because we don't have any power equipment in the field. All of them are in storm hardened areas. So, it's not impacted by power unless the actual end user is out of power. If they plug it into battery, their internet will work, but nothing else will.

Chairman Fee asked what's the main difference between your premium and gigconnect? It's just interesting...

Mr. Mittler said premium is 500 megabits per second and your gig is 1000 megabits per second.

Chairman Fee asked that's as maxed out as you can get for fiber or can you do....

Mr. Mittler said no. Again, we're on live tv I don't want to share some of our trade secrets, but I can tell you that any other provider in today's terms we can match the speeds and at the moment we're not releasing those additional types of tiers. We just don't see the need. If the need arises, we can do it.

Chairman Fee said my main question is will these plans be competitive or if not better with Comcast and AT&T?

Mr. Mittler said they are better and competitive with a provider that's providing fiber to the business or home.

Chairman Fee said alright. Thank you very much for your presentation. Next item.

Mr. Cisneros said the next information presentation is from the FMPA staff to provide an overview of the rising energy prices and the drivers for those costs. Today we have Navid and Sharon from FMPA who will co-present this item.

Mr. Nowakhtar said thank you sir, good afternoon it's a pleasure to be here with you today. Jacob Williams was slated to be here and unfortunately, we had a conflict. We're doing a lot of these presentations for many of our members. We will soldier on and happy to be here with you. I wanted to take you through the drivers of some of the energy price increases particularly natural gas prices. Take you through some of the why, as to why that's occurring and then look at some opportunities to provide some price certainty around natural gas.

If you look where we are today coming up back through the post covid era, energy costs are one aspect of inflation, but they are really driving inflation. A typical family is spending as much as $4,000 or more just for energy in 2022. On top of likely a $3-$4,000 increase in the cost of other

goods and services like groceries, we're seeing Floridians paying 15% to 30% higher energy electric prices. And in Florida, 70% to 80% of our electric generation is from natural gas. That's our primary fuel source. We'll talk a little bit about how across the country historically we would have had coal resources pick up the slack as gas prices rose, but as a result of retirements and additional infrastructure challenges related to coal generation and transport with coal, we don't have that substitute effect any longer to the extent that we had it in prior periods.

This chart is a lot to follow so I'll walk you through, but if you look at the far left, if you were to take the price of $1 million British thermal units of natural gas in January of 2021 divide it by itself you would get one. The idea here is to index the rise in prices, since the beginning of last year and unfortunately, every single curve, all the key commodities that drive energy production are up. Obviously, for us in Florida, the big one of focus is natural gas. We did put in the June prevailing average it's still early in June, but that says it's about 3.6 times as expensive per unit of gas today relative to January of 2021. There are several key drivers for that. Coming out of the pandemic we had demand cratered and a lot of the infrastructure has yet to pick up. We also have a reduction in the number of wells verses what we had prior to the pandemic. And in addition to that, European demand for natural gas has skyrocketed as a result of the geopolitical issues that we've seen and our liquified national gas terminals are at full capacity. All of the gas that can be exported elsewhere is being exported elsewhere which further exacerbates the situation for us locally.

Agricultural prices are also up. If you look at what's happening in grocery stores, fertilizer prices, there's a global dependency on these raw materials. Some of these raw materials are produced externally to the United States and so that import/export dynamic has us also dealing with high agricultural and food prices at the same time as we're dealing with the energy price increases. Again, unfortunately, no good news here.

If you look at where natural gas prices were the red curve at the bottom of your screen was the market price of natural gas over the period of April of 2021, through May 12th of 2021. When we set our budget for the fiscal period we take an average of what we think the market will transact at and we plan to purchase gas on the first of the month. That's where natural gas prices were when we set the budget for the fiscal year. Unfortunately, if you look at the blue curve at the top of screen, the nymax contract is almost $4 above an mmbtu above where we were when we set the budget and this is as of the end of last month. You can see that there's a clear tendency to increase prices and the forward curve as of this morning unfortunately is closer to $9 an mmbtu. A very significant spread in natural gas prices, which, again, is a primary driver of our energy prices.

If you look at where the futures curve is. So, this is an indication of the prices at which the market is transacting for the future period as of today. You can see a pretty steep and substantial drop after winter of 2023. Couple of reasons for that. Typically, the volume of transactions declines as you go further out in time. So, the market is not moving as much volume of natural gas and

typically, when purchasers are looking at how much gas they need to purchase they are looking more towards a season out into the future. There's an opportunity and we'll talk about it later on in the presentation, to provide some level of price certainty verses where prices are today and where they will likely be through the end of the summer, and to the extent that's of interest that's a strategy to try to mitigate the effectiveness of this increase on the retail customer.

Unfortunately, production is still flat. There's a chart a little bit later where you will see oil prices historically have been a good indication of number of wells that are on the ground to try to drill. But since the pandemic and you can see monthly average natural gas production there in red line really declines significantly through the pandemic and has yet to really get to the level that we needed to be despite the fact that West Texas intermediate crude which is a market indicator of oil prices has traditionally been the impetus for producers to say I will go out and generate more supply because I see a price signal in the market.

This is the chart in question. You can see there in red the rig counts. Really, the pandemic started in earnest in early 2020, let's say quarter 1 of 2020. You can see the rig counts dramatically declining, activity was basically ground to a halt and oil prices also commensurately greater. As we started to come out of the pandemic that relationship has not kept up. The oil prices have come up well beyond where they were even three years before the pandemic, but the supply chain has not kept up with that. The wells are not where they need to be in order to keep prices low and you can see that we're probably short as many as 300 or more wells if we were to get to a price equilibrium that we would like to see with lower prices as a result of supply picking up.

A lot of the natural gas that's used across the country in the context of power delivery is immune to price increases. If you look at the chart on the left it shows you the natural gas use by sector. Power generation that's what's keeping the lights on. Utilities like yourselves, across all of FMPA members whatever business model you are in you will pay the price of fuel that's required to provide reliable service. There's a risk of some amount of demand reduction as inflation continues. The question I always get what happens if there's a mild recession. Certainly, something we focused on and monitoring, but 37% of that gas use you are not going to see a dramatic decline beyond maybe 4% to 5% as a result of demand. Likewise, in the industrial sector, we don't have a ton of heavy industrial load here in Florida. Businesses have to continue to use the fuels that are available to them. You might see some additional potential for demand adjustment in the small commercial residential sector. But, again, not a lot you can do about that in the short-term. On the flip side if you look at the oil use by sector, two thirds of that is transportation. Its people putting gas in their vehicles. There is more of an opportunity there to try to manage your consumption in the short-term. Driving less. Maybe not taking that longer-term vacation or longer mileage vacation you were planning on. Carpooling and things of that nature. Challenging times but I think our perspective is that transport use is up. Oil will actually decline more so and have the ability to decline more so in near term than electric use. Certainly, conservation is an opportunity and our PR team has developed some collateral to help customers

manage consumption during high cost periods, but there's not a lot you can do with that in the near term.

As you would expect with supply not keeping up with the pace of demand gas storage inventory is low. The red line is where inventories were in 2021 and then the projected 2022 inventory as well as the five-year average which is the band around the lines were trending well below where we would ordinarily be. It's continuing to be lower than the expectations. So, overall for the 2022 gas injection season we're projected to remain lower than we should be.

Just pivoting to an opportunity as we look at these price challenges, one of the opportunities that potentially in play is to look at fixed price natural gas. Certainly not over the course of this coming summer, gas prices are already well above you know the norm, but if you look beyond that and we can go back to that gas forward slide here in a second. If you were to potentially pursue fixed price gas for some portion of your volumes whether it's 50% of your typical gas use on a seasonal basis or 25% that would provide some mode of protection that says, I don't like the $9, $10, $11 gas environment that I'm in, but my customers can be comfortable at a $4, $5 to $6 gas environment and there's some potential value there that we could transact and lock in.

We've done some analysis, our finance team did some analysis, of where the average wholesale costs with land at a range of natural gas prices. So, what this table shows is if we were in a low-cost environment was still the case we would probably still right be back in the $70-dollar megawatt hour range, which is FMPA's aspirational target to try to keep our wholesale power bill as $70 or lower. Unfortunately, as you would expect, for every dollar move up in gas you get a $6-$7-megawatt hour impact to the wholesale power bill. So, I'm not here to say gas will be $13 this summer, but if it was $10 to $13 I think our executive team would agree with me that that would not surprise them at all given what we are seeing. The concept in terms of fixing a portion of that is at what level of wholesale cost am I comfortable that I provided some volume of protection to the customer in the context of what they can expect on their bill as opposed to some of the volatility that we are seeing in the spot market.

This exercise is something we put together to try to give you a better understanding of that concept. The first row is the same as the prior slide. If gas is $3 between April of this next year and March of 2024. We would expect wholesale prices to be very much in line with where we've been over the last three to four years. If gas prices were to be $9 over that same period of time, you would have a pretty significant increase. So, if you think about $30 to $40 in megawatt hour for a typical customer resident that uses 1,000 kilowatt hours a month that's as much as $360 or more per year they would have to cover. The idea behind the fixed gas at some varying amount is I like the price from April to March that I can secure today or in the near term and that can help mitigate the average cost over the future period of time. And if you look at the last two rows, if gas prices were to come back to $3, and were to return to where they would ordinarily be and what you've been used to seeing and you had a certain amount of fixed gas embedded in your portfolio you would not be significantly worse off because the current forward prices are such

that if you pair them with our gas units, Treasure Coast, King Island, etc. you end up with a fixed price that's very similar to our average cost inclusive of some amount of coal generation that's still exists in our portfolio.

Unfortunately, prices continue to creep up on us and this information I will be honest it changes every day. I look at it every day. It's not a comfortable thing to look at, but I'll walk you through this one as well. If you look at the red curve right at the bottom of your screen, that's where the markets were transacting first of March of this year. As you move further up, you can see that the near-term prices have moved again 360 a million or as much as $4 a million by the time I think this week will be over for the summer of '22. We're not suggesting that in the summer of '22 there's much that we can do to fix prices for a particular benefit. However, if you look at the back half of that curve really in the spring of '23 and beyond you're seeing still some opportunity to look at those prices and say I might be comfortable fixing a portion of those prices which then provides a certainty to the retail customer in terms of what fuel passthrough they can expect.

In the context of income; Florida customers are well below the US and state average. I'm not sure if this group has seen this slide before. It's something we've used many times over. But if you look at personal income per capita in the United States as well as in Florida municipal systems tend to be well below that average. We are very much sensitive to electric prices because in Florida because of space conditioning needs predominantly we use a lot more energy than other places that might be higher average cost. If you look at California or New York their average rates are multiples higher than ours, but their consumption is lower. Because we use more, it's much more important to try to do everything we can to keep cost as reasonable and stable as possible for families.

Florida's major utilities have already moved their rates up. The power cost adjustment is a passthrough. There's no margin. There's no profit built into that. It's just passing through the cost of fuel. This chart here the red dots that you see on the screen are where prices were in March of last year, a little over a year ago. And you can see for the vast majority of residential consumers, prices have gone up materially and one question that I know is on everyone's mind what is Florida Power & Light doing or thinking about doing. There's an article that came out and as of last month they were at least 10% under recovered on their fuel prices. We'll know more in the July time frame when they report back to the Public Service Commission on how far under collected they are. We would expect a 4 to 5 cent per kilowatt hour range of adjustment on FP&L's bills. Again, every utility in the state of Florida is exposed to gas prices. So, every utility is grappling with the same challenges. Florida Power & Light is no different. They are roughly 70% gas not unlike what we have in FMPA.

So now for some good news. We are doing some things to try to mitigate the impact of this on our customers. Just go over these at high level. First one is high generation availability. Treasure Coast, Kane Island wonderful resources, very high availability factors. Our availability factors have historically outperform the industry average time and again. Why is that important? Because

those are the most efficient generators. They consume the at least amount of fuel per unit of energy output. So, it's very important that we keep those units running well, because if they are not running well then, we're replacing that with a unit in the market that doesn't have nearly as good of an efficiency. Capacity releases, fixed gas prices we already have some amount of prepaid gas transactions that save us 30 to 40 cents versus the spot market. We've been able to off load capacity for gas transportation in periods of time that we don't need it which brings revenue back to the All Requirements Project and helps lower cost. We've also had a longer-term strategy. When I started with FMPA in 2016 we embarked on that strategy to try to sell more energy to third parties using our excess capacity when we're not using the steel in the ground and if our forecast says we don't need it, there's an opportunity in the market to sell that to third parties and that reduces costs for the folks that are participating in the All Requirements Project. We've also been managing the debt and refinancing the debt to align with the useful life of our facilities and as we do that that helps lower cost in the near term while spreading that cost over the useful life of the asset which is a more equitable way to recover the debt. We're doing everything we can $32 million is a significant number unfortunately, that's not enough to overcome the fuel issues that we're experiencing.

Some additional good news. If you look at where Ft. Pierce's rates are today through the end of last year, they are actually lower than they were in 2008. Residential rates are down about 23% at the same time that the US rates have gone up about 22%. That's a testament to obviously the shale gas revolution had a lot to do with that low fuel prices, but we've also done a lot of work to try to keep our cost as low as we can to you. Other parts of the country have made other significant capital investments that have pushed their prices up where as we've done quite the opposite. Something to be proud of. There's not a lot of things I can think of that I go out to buy today that are lower cost than what I would have paid in 2008.

In conclusion, we are continuing to pursue low cost solar. We are in the process right now of the procurement efforts for phase 3 of our solar project. We have two sites that are totally 149 megawatts. We were at 2% in 2022. We project that increase to 7% by 2027. There're 7 to 10 communities or more that could be interested in phase three solar. We're looking as much as 2-3 sites of additional solar. We're in the process of interviewing those vendors. and there are as you would expect some supply chain challenges, but we're hopeful that we can come to a resolution on phase 3 here within the end of the year, by the end of the year. With that, happy to stake any questions.

Chairman Fee said you gave us a lot to think about. Any questions of the board?

Mr. Lammers said can we take a look at slide 14. Mine is a different slide number. I'm interested in the slide that says Ft. Pierce prices lower today than 2008. You mention that you've been with FMPA since 2016.

Mr. Nowakhtar said yes, sir.

Mr. Lammers said so I remember and I don't have the dates clear in my mind. But around this time 2008, 2007, 2006 somewhere around there we had significantly higher rates than FP&L, which I'm glad you said that cause that's who, of course, we get compared to and the leadership of that time consistently in the paper at meetings like this attributed that to us hedging gas. So, now we're in a similar situation and we're going to be asked to do the same thing, which from my memory, again I don't have the dates and I was in a very different role then so....Javy do you have any more clarity of what I'm talking about there, more details?

Mr. Cisneros said I do. It was combination, actually it was Bill Thiess who was Director at the time and actually had a chance to talk to Bill Thiess about this specifically. The time frame you're talking about is 2008 through 2010. That's the time frame and they did hedge gas prices at the $10 mark or somewhere in that range and they had to carry that for about two years, 18 to 24 months or something like that. We would definitely -- we've -- there's an opportunity for us to take that history and make sure we don't go down that road and pick a better path, a much better path. The picture that Navid showed about the out years, or the summer and locking in those gas future prices that's an opportunity for us to lock them in closer to our budget. We're going to be closer to the budgeted item as opposed to what they did in 2008 which was 3-4 times higher than their budgeted item. It's a little bit of a different scenario because we have that history to show us that's not the way to go. As Navid mentioned, we're not locking in the prices for the summer because that's not what we don't want to do because that market is already volatile. So, we don't want to lock in anything at the height of the market. Does that answer your question?

Mr. Lammers said it absolutely does and it lines up with the other slide that you had that described what the potential consequences of us buying fixed gas were. Although that slide I can be bad at arithmetic sometimes, but that slide didn't really make sense to me. Can you walk us through some of these scenarios?

Mr. Nowakhtar said sure, I'm happy to. The first two rows are effectively saying, if you could magically get $3 gas every single month from April of '23 to March of '24, given that you also have fixed costs, so the utility has fixed costs for steel in the ground, fixed O&M (Operations & Maintenance) costs, etc. we would be able to deliver approximately $78 a megawatt hour average wholesale cost. Unfortunately, $3 gas for that period of time is extremely unlikely. If you were to go to $9 and you said, I'm not hedging anything. I'm just going to let the spot market determine first of month purchase determine where I'm at. That would take you to $118 a megawatt hour average cost. There's a pretty significant spread as you would expect that's driven from the fact that we are 75-80% gas. The second two rows are saying, if prices were to go to $9 over that period of time, but I fixed 50% of my gas consumption at a price that approximates the forward curves from the forward curve slide that we reviewed. I would be able to mitigate the effect of that higher gas price by $14 a megawatt hour. I'm providing a little bit more price certainty in the context of a portion of the buy ins that I'm generating – that I'm expecting to generate. The remaining three rows are very much the same. The fourth row is saying I want to leave 75% of my volume to the spot market, but fix 20-25% of my volume at a price that I believe

customers are comfortable with and that ends you up at $111. There's a reduced amount of fixed volume in there which pushes your prices closer to the $118, which is where you would be if you rode the spot market at $9 gas. Does that make sense?

Mr. Lammers said I see. Where I get a little stuck is I'm guessing that the fix price we're hoping to get much closer to that $3.

Mr. Nowakhtar said no, sir. That's go -- that's not the case. Let's look at slide 14.

Mr. Lammers said because the part where I'm getting stuck is at the end where we say, if market is $3 and we purchased fixed gas at, you know, 25% of our needs our fixed it's going to be $79 and if 50% of our needs are fixed it's still $79 and $3 market is only $78, so it seems like....I mean under what scenario would it have been a really bad decision for us to purchase fixed gas under....from the slide you're showing us there's really no scenario where it's a bad idea to purchase gas.

Mr. Nowakhtar said well we're trying to, has Javy mentioned, we're trying to avoid some of those bad scenarios. There could be a scenario for example that we would not recommend which would be -- sorry for flipping around here. Let's look at the June strip. If you were to say I'm going to lock in 100% of my volume or potentially more of my volume, at $9 or $9.50 and then in actuality the curve was to move down to $2 or $3 we wouldn't want to lock in 100% of our volume at the higher price. So, the scenarios that we're trying to depict here are what is the downside risk if prices do move to $3 then you're still able to reap the benefit of that $3 gas because you haven't locked all of your consumption in at higher price.

Ms. Adams said hi my name is Sharon and I've actually been here 20 years so I lived the 2008/2010 situation I'll put it that way. One thing I think that and we've been very careful about using the hedge word. We know how a lot of our members absolutely feel about it and rightfully so. One thing that we did and we're trying to learn from history is we actually hedged over 100% of the natural gas that we needed. That's was a lesson learned. The other lesson was we hedged at the very height of the price which would be like us going in right now and saying okay let's lock this in for 12 months unless buy more than we need. So, we might can sell it on the market. The other thing that happened back then was the fracking was stopped and it started back or the fracking was actually started heavily increased. That's what drove down the oil prices at that point. What we're looking at now is a different situation in that we've got to get the rig counts up in order for gas prices to start coming down and we also have to have pipeline. A way to transport it. There's -- the permitting has stopped. In order for that all to happen it is going to take a while. I won't happen within a matter of months. With the fracking it did have that kind of impact. Those were some of the things that happened back in that time that we definitely learned this was not, it was not the best decision. I will also mention the entire leadership team at that point is no longer at FMPA. I was in a different role. I certainly understand your concern and those

are all valid questions and that's certainly stuff that needs to be discussed at this level so that those bad decisions are not repeated.

Mr. Lammers said so it seems like that point in my understanding that we wouldn't be recommended to purchase fixed gas until we see that drop on the curve of power cost.

Mr. Nowakhtar said that's a good question. So, what we have as an opportunity is if you look at the curves here the market has moved up. There is an opportunity to say, for example, in the spring of '23 for a 12-month period through Florida Gas Utility (FGU), which is our gas agent if you will, through the All Requirements Project we can direct them to go out into the market and secure fixed gas for that future period of time at a price no greater than a certain amount. If FGU is able to secure those volumes, then we would have that amount of fixed gas at the price that we direct.

Mr. Lammers said I see. It's not that we're waiting for that cost to drop. It's that right now, if we fix the cost in May of '23 that's the potential price we can purchase.

Mr. Nowakhtar said that's correct.

Chairman Fee said that's to stabilize things for the customer.

Mr. Nowakhtar said it would stabilize yes sir.

Mr. Cisneros said I would like to ask something. I don't know what the time line is expected, but it's anticipated that it would be longer than twelve months for the rate counts and the pipelines to become active. We're talking about an opportunity here that we won't be able to get out of this for some time frame. Because they are -- they won't have enough time to construct and open up these wells. In that you know, within the time frame we're looking at potentially locking in some of these gas prices.

Mr. Lammers asked why would a seller of fixed gas they obviously have the same knowledge that we have as far as rig counts and all these other dynamics; why would they be willing to sell fixed gas at a lower price than what they probably would be able to sell for at that time?

Mr. Nowakhtar said they would do additional hedges and some sophisticated financial instruments would be involved such that they are able to lock the price in. If you are willing to transact now because again the volumes are very low as you get further out in time. That's part of the reason the prices are lower. Because the volume of transactions is lower as you get closer to reality, real time, the reason the curve moves up is because folks are now in the market and they are saying I need gas. As supply doesn't keep up with demand, as more and more demand gets layered in the volume of those transactions increases and the clearing price increases as well.

Ms. Adams said and to use an example. Some of our cities do have a formal hedging program in place. They very well right now could be paying $3 for their gas that they use now because they hedge and we're feeling a little bit of the effects of that in this increase in the prices we pay. That's how they are able to do that. If you haven't purchased it in advance then they can recover that on the retail side.

Mr. Cisneros said there's one thing I would like to mention. Could you go to the different market percentages slide? I think it's the next slide. Just to emphasize what Navid was talking about. The first two rows are effectively what FPUA experienced over the last 10 to 12 months. Is that an accurate statement Navid? Is that...we weren't 100% market, but we're like at whatever the percent of the market we were at, but the first two – you know we were at $3 last year and today we are at $9. So, the first two rows are what we're experiencing right now.

Mr. Nowakhtar said that's right. So, our wholesale prices over the last several years have been right around $70 average. Unfortunately, the strip the forward price of gas over the summer as of this morning is right around $9.

Mrs. Gibbons said a minute ago you mentioned that some of your cities hedged this in the past. They are not part of FMPA, or are they doing it on their own? Or is FMPA.....

Mr. Nowakhtar said they would be doing it on their own that's correct.

Mrs. Gibbons said and so they don't purchase power through FMPA?

Mr. Nowakhtar said well some of them purchase power through FMPA as a result of our various power supply projects, but they are not All Requirements members...All Requirements Project members.

Mrs. Gibbons said okay.

Mr. Cisneros said FPUA, I think I know where you are going with this. FPUA does have an opportunity in conjunction with FPUA and Florida Gas.

Mrs. Gibbons said we can do it individually. We don't need FPA to necessarily make.....

Mr. Cisneros said we haven't done that in the last 10 or 12 years. That's something that -- well Mr. Crawford has done that for the gas system, but not for purchase power. We've done some of that for 20 years or so. Not at the magnitude that we're talking about today for electric power generation.

Ms. Adams said I will tell you we have had these conversations with a number of members and they are considering doing it by individual city for some. Just making the best decision they can

for their particular city. We're having a meeting on Thursday to discuss possibly doing at FMPA for All Requirements. That's still in the discussion stages.

Mr. Cisneros said this Thursday and I know we'll talk about it at the board meeting on the 23rd.

Mrs. Gibbons said also, when you purchase fixed gas it is for 12 months or is there like....is it a brokering kind of thing like oh.....

Mr. Nowakhtar said that's a great question. There's some flexibility in the nature of what you can direct. My understanding from having recent discussions with FGU the minimum term is one month. You could for example say April 2023 I would like to do X. The minimum amount of volume typically is about 10,000 dekatherms which is the same as a million btu. If you look at from a consumption perspective we averaged your estimated seasonal gas use as a portion of the recent loads that you've experienced. In the summer, you're about 294,000 in the non-summer it's about 221,000. For example, if you said 25% of that, would be something you would be interested in over that season you can shape that by month or you could direct FGU to pursue a seasonal strategy in units of 10,000 would be the smallest you could do.

Mrs. Gibbons said Mr. Cisneros do you think this is part of why some of the rate increases in some of the cities haven't been as dramatic as ours was?

Mr. Cisneros said that could be a contributing factor for sure. They also have staggered PCA adjustments so you'll see some of these folks increase. We've been a little bit proactive. The board decided in January and February not to reduce the PCA when we had the chance. Luckily, we did not because you can see the numbers in March came back higher. We've been fortunate to maintain that number where they've adjusted it consistently every month.

Mr. Nowakhtar said that's an excellent point. There's a variety of methodologies across municipal systems in terms of the frequency with which they look at that power cost adjustment. I would imagine lion share folks are dealing with under recovery as prices kind of crept up and reality of fuel prices tends to lag what action might be taken or is typically taken. I would expect to see more communities having to address that.

Mr. Cisneros said and those locking in those gas prices in the future is also helpful for some of those cities as well. Where we've never done that, well other than the gas distribution side we've not done that for the electric generation power side. Good question.

Mayor Hudson said I have a question. So, if we were to do something like this through...if FMPA does this and we approve of it or however we participate in it its risk taking; right? This is a risk-taking thing. If you do it, the people who are selling it to us at a certain price are taking a risk that they will be able to somehow make money on that. So, but if we did it on our own, then we would be much more at risk perhaps, because we would have to be as smart as they are or whoever.

My feeling would want -- I wouldn't want to really -- I'm not a risk taker. I wouldn't want to take a big risk. I would want to do something relatively smart and I know that none of us have a crystal ball -- what I don't understand is forget about all the ways that we're going to try to deal with this, when...what will have to happen to make the natural gas prices be better? What has to happen?

Mr. Nowakhtar said that's an excellent question. I'm not in possession of a better crystal ball than any other folks, but if you think about the combination of things that would have to occur, obviously we've got geopolitical issues in Europe. That would have to resolve itself. You would have to get significant pipelines like the mountain value pipeline that is about 90% complete and is intended to get as many as 2 million dekatherms of natural gas from the Marcellus Shale which is a significant source of supply all the way down to the south Atlantic would have to get approved so there's sufficient pipeline capacity, not just that pipeline, but other pipelines and that would incent producers to continue to invest in supply and bringing supply to market. You would have to get wells to come back up and then potentially, as the compounding factor, if you have some reduction in demand as a result of other inflationary pressures, all of those things would have to kind of combine together in a very short amount of time to then bring back you know a $3 gas environment. Whether that's possible I don't have the answer.

Mayor Hudson said it doesn't sound possible, but I appreciate that at least explaining to me what has to happen in order. So, this is going to stay around for a while and perhaps get worse.

Mr. Nowakhtar said well yeah, I mean I think where we've tried to position again is kind of in the April of '23 to March '24 timeframe. Obviously, beyond that is highly uncertain and we'd have to continue to monitor.

Mr. Lammers said if everyone in our position bought future gas for April through that following year what would happen to market prices?

Mr. Nowakhtar said well I think it's an issue of, again, time is not on our side. It's who can secure the availability volumes. As you move to secure at a certain price and then those volumes have been locked supply becomes more and more restricted. So, as another market entrance says oh, I might want to do the same thing. Then they will pay a higher price and so on and all the way up through that supply. Does that make sense?

Chairman Fee said I have one poignant question for you. You mentioned you brought a lot of details in here about the situation we're in. It sounds like to me one of the primary causes to the increase in gases are lack of rigs and lack of pipelines in this country. Granted there's sale going overseas, and some other things going on. There's a war going on that have impacts. But what is going on locally in this country to increase and get more rigs out there, pipelines up and running, more wells drilling and if there's nothing going on why isn't there something going on? Is this

governmental restriction right now? Or is it because we don't have enough people out working because of Covid, you know or not as being as productive as they once were?

Mr. Nowakhtar said it's a multitude of factors. Obviously, you have at the federal level you know certain political components to that. Pipelines have not been able to get environmental approval. That's not a local issue. That's not something that we can control. Locally, certainly labor pressures coming out of the pandemic have caused both coal and gas producers to struggle to build up the capability they had to let go of when demand was down. If you are a gas producer, you know, the trend historically was you were a high value gas producer if you were growing. That was kind of the litmus test for being an attractive asset for investors. Now it's more about margin. It's about profit. They are seeking the highest margins overseas and they're saying I'm okay with this price because now I'm being judged based on that free cash and the dividends that area offered as a producer. So, it's a combination of things unfortunately.

Chairman Fee said so a lot of producers of gas are comfortable with what's coming in right now and they are not incentivized. Any other questions? Alright thank you, very nice.

Mr. Cisneros said thank you very much. Actually, they are going to join me for the next item because it's a request for all the FPUA board members to sign the attached letter that's in your agenda package to address the US Senate Energy Committee. The letter summarizes all of the information presented today including some specific details about Ft. Pierce and our demographics. Many of the meetings in Florida have already prepared or are preparing to send this letter to the US Energy Committee. This letter is just one. But if -- if they receive letters from all of the electric municipal utilities in the state it would be harder to ignore us. The specific goal of this letter is to voice our support for congressional bipartisan solution for affordable natural gas, oil and electricity as the US has all the energy resources available to make this happen within our own country.

The FPUA mission statement includes economical reliable and friendly, but without a solution moving forward, it will continue to be a challenge to provide affordable electricity not just for FPUA, but for all utilities in the US especially within Florida as Navid mentioned 75% of electric production is from natural gas. I'd be happy to answer questions that you may have.
Mayor Hudson said I have a question about the letter. That's what we're discussion right now right?

Mr. Cisneros said yes ma'am.

Mayor Hudson said the content of the letter. Fourth paragraph it talks about the investigation of Chinese solar companies that are possibly circumventing US tariffs. I think I've heard just recently, in fact today, that a proposal has come out of our government to buy solar panels and those are going to come from China.

Mr. Cisneros said I will let Sharon answer that -- handle that one.

Ms. Adams said you're correct. We discussed this yesterday in the leadership team meeting. The NRECA the National Co-op Association and the Public Power National Association did get in contact with the Department of Energy and said would you please lift those restrictions because that tied our hands even more because we couldn't get solar panels. The negotiation we had done for our solar plants were basically stopped. They did agree to say, okay we will wait and hold off on that investigation. What was going on was the solar panels were being made in China, being rerouted through other countries and then sold to us so that they weren't coming from those regions. They stopped that investigation. That's the plan and we can actually move forward with our solar projects now

Mayor Hudson said okay and then the next paragraph we're deeply concerned about the 375-megawatt site scheduled. Can you explain that to me?

Ms. Adams said that's our solar project that we had.

Mayor Hudson said but that's still talking about solar.

Ms. Adams said yes.

Mayor Hudson said oh okay alright. I didn't get that connection. What are we asking them to do with this letter?

Mr. Cisneros said we're asking them to work together to open up some pipelines. Open up some well rigs, so we can increase our supply and effectively reduce our prices. That's the short version.

Mayor Hudson said we're not specifically saying that. I guess pipeline is kind of dirty word these days. You don't want to say that. However, you get it to us. Okay and then this goes to probably the chairman of the energy committee and then the ranking republican; is that why we chose these two, Barrasso and Manchin?

Mr. Cisneros said yes.

Mayor Hudson said and then we would copy our whole delegation.

Mr. Cisneros said we would. We would copy all the energy committee, the senators for Florida; Rubio, Scott, DeSantis and congressional delegation that's right.

Mayor Hudson said all right thanks.

Mr. Cisneros said we would need a motion to approve it for everybody to sign it.

Chairman Fee asked any discussion from the board?

A motion was made by Mayor Hudson, seconded by Mr. Lammers, and unanimously carried to approve and sign the Letter to the U.S. Senate Energy Committee.

Mayor Hudson asked it's going to be prepared for all of our signatures.

Mr. Cisneros said yes.

Ms. Sabota said I have it right here. May I approach?

Mayor Hudson said okay.

Mr. Cisneros said while Jill's getting signatures I will introduce the next item. The last presentation for today is the discussion for the power cost adjustment. Given the presentation from the FMPA staff the cost to generate power has risen significantly over the last nine months or so. Barbara Mika will highlight those costs in her presentation. It's important to note that the PCA adjustment is required in order to not use unrestricted funds that are part of the 45-day minimum cash on hand requirement as outlined in the bond covenant. This adjustment must be made whether or not we proceed with the 2022 series bonds, but it is required in order to proceed it. Effectively, we have to do this because of our bond covenant requirements for days on cash. Barbara Mika will present this item.

Ms. Mika said thank you Mr. Cisneros, Chairman Fee and board members good afternoon. Good evening, actually. Thank you for the opportunity to provide you with the updated information on the status of the April power cost adjustment along with the updated 12-month projections through April of next year.

FPUA's cost of purchase power is recovered in part or in whole through customer billings. Power costs that are recovered that are in excess of our $79.52 base power cost are accumulated as an over recovery to our rate stabilization fund. In order to retain sufficient funds to pay our power cost our goal is to maintain a PCA reserve between $1 million and $5 million dollars with excess funds going back to customer whenever possible.

The cost of power purchased from FMPA for the month of April was billed to FPUA at a blended rate of $97.95 for 1,000 kilowatt hours. This was an increase of $13.50 when compared to the March billing from FMPA. For the month of April, FPUA experienced an under recovery of power cost from the customer of about $200,000 which decreased our over recovery to about $1.5 million dollars.

This chart tracks a cumulative monthly balance of the PCA over recovery in relation to the approved power cost adjustment. The blue bars on the top are represent the actual monthly balances in our over recovery while the orange bars show the projected over recovery what would be the forecasted numbers that we have our correct. The tracking shows for better than year and a half for March of 2020 through about the end of last summer July of August of '21, those were years where we carried a healthy rate stabilization fund we're all in the positive here while we're able to have carry a negative PCA. As you know, the impacts of covid and the historically low power cost that we experience allowed us to maintain that favorable position for our customers.

The change for us began in September with rising cost projections and the need to increase the PCA that's this power cost adjustment and in order to maintain that level above in the rate stabilization fund. This graph further illustrates that with the projections moving forward we need to take some action to increase the power cost adjustment. The amount of the power cost adjustment represented by the dark blue line is currently $18 per 1,000 kilowatt hours. Current forecasts with a $26 adjustment to the PCA which is again this blue line going up here through the end of the year will drop our reserves below the rate stabilization. These are the orange bars and that's the minimum of the -- that's below zero it's below the minimum.

This projection and the others that you will see in the next slide have been prepared by Raftelis financial consultants and are based on the forecasts that are prepared by FMPA. Since the March forecast, FMPA's estimate of the cost of purchase power for the upcoming 12 months has increased 26%.

This graph represents a comparison of the updated projections trending the power cost recovery through April of 2023. The rate stabilization fund is outlined by the dotted lines. The blue lines up and down. That's the fund area. Each of the adjustments that are presented in the graph indicate a July 1st implementation date. I will start with the gray line. Which is down here on the bottom. The gray line adjusts the current PCA of $18 by $26 to make our PCA $44 per 1,000 kilowatt hours and maintaining that through April of 2023 of next year. We will remain below that rate stabilization fund level. The next one up the purple line and shows the impact of a $35 adjustment to the PCA. Bringing the PCA effective July 1st to $53 for 1,000 kilowatt hours. This adjustment brings the PCA into our rate stabilization fund minimum in October assuming the current projections are stable enough to maintain the project range. The green line provides for a $41 increase to the PCA from $18 to $59 for 1,000 kilowatt hours. Maintaining that PCA through April of 2023, this change will cause PCA to a positive balance in September effectively one 1 month sooner than the $35 adjustment.

This graph is one that is presented as part of your monthly agenda packets and I brought it today as an illustration of the trend that we have experienced over the past 12 months. I first want to point out that these are not the rates that we see on our monthly bill, but our ARP all in rate average. What I'm really trying to point out here is the trend of the projections verses the actuals.

If you look at the gray bars the gray bars are the projections and if you look back to May, this shows that 11 months prior to May, in June of 2020, it was projected that our May costs would be $77.84. Now 11 months later when we have May the actuals came in less at $68.24. So, the grayer projections look months earlier the blue are the actuals when the month comes around. We typically expected this it's what the trend was that we were seeing. Until September of '21 we look at projection from 11 months prior which was August of 2020 we thought that the projection prices were going to be cost around $73.11. Well, 11 months later in September of '21 our costs are coming in at $88.32. That's been the trend since then. I just wanted to give you the illustration to show there was a point -- we saw that in the board meetings when the PCA's were presented that we were having some purchase power cost issues back then.

This table shows the impact of PCA adjustments. What will have an impact on our bills and our days of cash. Which is to find in our bond covenants as 45 days of total cash and cash equivalence meaning our unrestricted cash over our expenses excluding those expenses that are noncash items. The first line represents what our current bill is with the current $18 PCA, our July bill would be these amounts, they are all the same $136.70. The second line is the -- what the bill our customer bill would including that PCA adjustment. I'm simply adding the $26, $35 and $41 to those now this would be the July bill affected by those changes. Those revised amounts are the PCA the next line down will be (our PCA) $44 or $53 or $59 just to keep it in perspective.

The increases in these projected power costs will erode our unrestricted cash balance. If unadjusted, and will put us in default of bond covenants of cash liquidity. If we adjust the PCA by the $26 that will allow us to recoup some of the cost that is in excess of the $79.52 base cost, but will by September leave us $3 million short of what is necessary to meet our minimum requirements of days of cash simply leaving us at 36 days of cash if we make that adjustment. If you recall on the comparison chart that $26 was below the rate stabilization level. If we make a $35 adjustment, we will be just shy as September 30th, we will be shy $1 million, and we will be at 42 days of cash. This is a measurement date, 9/30 is a measurement date for our bond covenants. It's only the $41 adjustment that will keep us whole under these circumstances and is only by a slim margin. We will be at our 45 days. Now we have had discussions with our bond council.

As you know we're talking with them on a regular basis and our financial advisors and based upon our discussions, based upon the project description and the wording in the upcoming official statement, we will -- that will allow us to qualify and reallocate a portion of our rate funded capital from this fiscal year from fiscal 2022 to be funded by the proceeds of the bond issuance. That brings us to this final line down here on the days of cash this will allow to us recoup if we consider some of our rate funded projects that we are working on currently, we can reimburse ourselves for the cost of those considering those projects based on the descriptions in the official statement to be funded by those projects. This will allow a reimbursement to our unrestricted cash before the end of September. Which in fact if we looked at it and we have about $7 million depending on what is spent will bring our cash above those levels and will in essence cushion this

impact that we're feeling from the higher costs for the power cost we're experiencing that we're kind of you know, we knew they were coming. We just were not expecting that much of a change. All of a sudden, we were -- what went into our sufficiency study was going to get us where we needed to be and then we had this material change and, in our outlook, so it needs to be addressed.

While the outlook right now warrants an action to be taken we're hopeful that the situation is short-term and changes the cost of our purchase power, allowing to make more favorable adjustments. In the meantime, we will monitor the power cost adjustments so that we can report monthly and recommend changes only as needed.

If you have any questions or discussion.....

Mr. Cisneros said Barbara before you leave that slide, I'd like to add just one thing. The second line that said July billing including the PCA adjustment, that does not include the July increase that we approved. That July increase is $1.86 for that same customer, just to bring it into comparison. So, the PCA really is the big thing here. The July increase every penny counts as Barbara makes sure that she says that often, but the $1.86 is a real number, but it's a much smaller number than PCA.

Mayor Hudson said Mr. Chairman. Compared to our rate increases, the price of natural gas has put us in a real expensive territory.

Mr. Cisneros said yes, ma'am, it has.

Mayor Hudson said and I mean, I just -- I myself cannot see a lot of people being able to afford this kind of increase even though I know we have to do. I mean I just think that it's going to be -- with the increases in everything else. I just see this as going to be –

Mr. Cisneros said that's the reason Barbara provided three options the $26, $35 and $41 with being able to use some of the capital reallocation of the bonds so that we can provide solution for the board and still continue to move forward with the bonds. Because this a problem now, but the bond is a 50 year -- we're talking about 50 years here and we're looking at a snapshot in time.
Mayor Hudson said yeah, but we really don't know when this problem is gone.

Mr. Cisneros said we do not and I would hate to project my crystal ball. Everybody's crystal ball is fuzzy right now.

Chairman Fee asked Mr. Koblegard, did you have something to add?

Mr. Koblegard said yes. Barbara the $7 million from the bonds is that just going to be put in the bank or is that going to be spent?

Ms. Mika said that's going to be put in the bank to absorb the power costs that we're.....

Mr. Koblegard said it just sits there.

Ms. Mika said yes. Iit's qualifying some of our current capital projects that we didn't initially deem to and include in the picture what we were going to get purchase bonds for to fund. But they do qualify based on the wording in the official statement. We would include those projects, of course it then reduces what's available to spend on those other projects that were there.... that are out there. That will be addressed in -- in the picture we were looking at addressing the through grants or additional funding, or –

Mayor Hudson said or pushing them out.

Ms. Mika said or pushing it out. So, whatever if we can't get grants to complete the conveyance and then we were going to get additional funding or take additional months, whatever is needed to be done because of this $7 million if it isn't $7 million it might be $6 we have to look at the lists, but and see what's spent actually. Whatever we take reimbursement for now they will have to look for that money later. Right now, it solves our days of cash which is a crucial item right now. It's critical.

Mr. Koblegard said you checked to see if that's allowed by the bond covenants?

Ms. Mika said yes. We spoke with bond counsel and our financial advisors we had a conversation with them.

Mr. Cisneros said and their tax attorney.

Mr. Koblegard asked and Duane ok'd that?

Mr. Cisneros said yes, we talked to Duane, Julie, Vera and tax attorney Lynn we talked to them yesterday. It was a very quick meeting. We were trying to provide a solution for the board meeting today.

Ms. Mika said and it was one that they came up with. I would never surmise that we could do something of this nature. If it passes muster, and they're recommend and they are our advisors. It's a solution.

Mr. Koblegard asked Barbara, why are we recommending the $26 if it keeps us in the negative position?

Ms. Mika said impact on the customer.

Mr. Koblegard said yea I understand that.

Ms. Mika said it's an option.

Mr. Koblegard said gotcha.

Ms. Mika said any one of these are an option. The first two are going to leave us short. And one more than the other, because of the amount we would collect.

Mr. Cisneros said and the last option $41 is important because that lines up with our checkpoint. We have a checkpoint September and March. Those are our two checkpoints for days of cash on hand. That's why the $41 option is presented is to be able to correct that.

Mayor Hudson asked so you don't get credit for all those months when we had excess cash on hand?

Mr. Cisneros said no.

Ms. Mika said it's absorbed.

Chairman Fee said Ms. Bennett I believe you had a question.

Ms. Bennett said yes. I guess I'm a little bit confused. We're getting ready to ask them for the increase for July with the wastewater the chart that you showed us the last time we voted on. Now we're asking them for another increase.

Mr. Cisneros said for power cost yes ma'am.

Ms. Bennett said for power cost, but there was an increase also on the power cost.

Mr. Cisneros said yes, there was a -- for July it was $1.86 for the electric customer. It was a very small number in comparison. So, the power cost number is just a pass-through cost.

Ms. Bennett said and if we just do it at $26 per kilowatt hour that will be another $36 increase? Because it says $160. Am I reading this right? $162.70 and July we're at with the $18 that you we did $136.70 so it increased to $162.70.

Ms. Cisneros said yes ma'am. It would increase it from $136.70 to $162 by adding the $26. Yes, ma'am.

Ms. Bennett said right.

Mr. Cisneros said I'm sorry did I answer your question?

Ms. Mika said that's just the electric.

Mr. Cisneros said that's just the electric.

Ms. Bennett said just the electric.

Ms. Mika said just the electric and the $136.70 does include the proposed adjustment.

Ms. Bennett said per kilowatt hour, right?

Mr. Cisneros said oh thank you. Yes, per thousand kilowatt hours.

Ms. Mika said at $136 is what the bill will be including which you've already approved for the adjustment.....

Mayor Hudson asked it includes the rate increase?

Ms. Mika and Mr. Cisneros said yes.

Mr. Cisneros said thank you Barbara for that correction.

Ms. Bennett said say that again then I'm sorry, say that again.

Mr. Cisneros said the $1.86 that the board approved effective July 1st is included in Barbara number for $136.70 it's already included in that $136.70. Right Barbara?

Ms. Mika said yes, it is. That's what the July bill will be without whatever adjustment.....

Mayor Hudson said but you're talking about adding....one scenario is adding to – all of these numbers 26, 35 and 41 add to 18 that's already there.

Mr. Cisneros said yes ma'am.

Ms. Mika said correct.
Chairman Fee said Ms. Gibbons you have a question.

Mrs. Gibbons said so this projected comparison of the PCA over and under recovery that chart, we're projecting that in June we are already going to be $1.5 million negative. Is that – that one there.

Ms. Mika said this chart here?

Mrs. Gibbons said yup.

Ms. Mika said that's what it says. At the end of June.

Chairman Fee said well it's an unfortunate situation to be in. We're making very good progress for I think the community and the customer. Based on the information that I'm hearing today it sounds like we're going to be in a prolonged period of increased prices. We're talking about hedging a little bit. Which suggests that the costs are getting out of hand and unfortunately the customers who we look for to pay for it. Based on the major projects we have ongoing and I don't want to make this suggestion lightly at all because it's going to be difficult for people in the summer months. The $41 increase seems to be the most logical and prudent thing to do because if we see a downward motion of the PCA it's a lot easier for us to lower than it is to play catch up because you can look at this graph that we will play catch-up all the way through till probably September of this year. I don't believe our bond financers are going to like us to be in a period of playing catch up. They want us in the normal range as quickly as possible. I don't know how the other board members feel about it, but there is definitely the option with how much money will they allow us to put -- did you say $7 million?

Ms. Mika said yes.

Chairman Fee said so they'll allow us to put $7 million in there, but if we stay under collected all the way through I presume they allow us to tap into the $7 million and to resupply our cash on hand.

Ms. Mika said we would consider those projects as being funded by the debt. We spent money to date from October to now and that would be part of the initial reimbursement when we close on the bonds we will take based on the reimbursement resolution that came before you back in July. We can reimburse ourselves for those costs that we've incurred prior to the actual closing.

Chairman Fee said but the projects that we had earmarked for will go on uncompleted; correct?

Mr. Cisneros said that's right. They would be postponed or delayed for the future. Those projects could be revisited as we get back into to the rate stabilization fund range that the board would like to see. We could start seeing what number that -- what number we have and what projects we can take from that number. Let's say there's $1 million that comes off the $7 million. We can go look at the million and find what project we can do instead of postponing it or not doing it. I

think I'm not sure if Barbara hit on it, but we also we made some additional budget cuts and we made some additional adjustments if you can hit on that.

Ms. Mika said while we were going through this process and providing information for the bond issuance we found that our capital was too fat. Rate funded. We had deferred I think around $8 million. Then we went back again to the drawing board and cut $3 million out of our '22 -- out of the five-year CIP. All total it was like around $10 million we either deferred or cut and those projects as we can afford it will come back. Or in that longer-term financing for the MWRF they'll include those costs in that and they will proceed with them there.

Chairman Fee asked out of curiosity. Did -- was there any discussion on perhaps taking an unsecured loan for $7 million to use that to fund our accounts?

Mr. Cisneros said I don't think we can that per the charter. Mr. Koblegard is that right? I'm not sure. I don't think we can do that per our bond covenants.

Ms. Mika said I think there's a two-year limitation.

Mr. Cisneros said yeah two-year limitation.

Ms. Mika said that's a very short window to have to pay that back.

Chairman Fee said my thought was maybe set it in the account and hope we don't have to touch it. We at least have the money available to continue with the other projects. It doesn't sound like that gets us where we need to be anyways based on the timing.

Mr. Cisneros said it does hit on something that we can talk about at another date maybe during a strategic planning session. Maybe that $5 million number needs to be significantly higher so we can mitigate this in the future. We don't have the luxury today, but your point is how can we mitigate this in the future.

Chairman Fee said exactly to think about it, but right now, we were good to be -- thank gosh – I hate to say it but, we didn't lower the PCA before. It would have just been a roller coaster to the tax payer. This is going to be it's going to be felt by everyone. This is going to raise eyebrows, but I don't see how we can avoid it. Really the question for the board, is how close do you want to play this? Because there's not much wiggle room at all. You're looking at 42 to 45 days and that's a difference of looks like $7 and it only changes you 3 days, 66 days and 69 days. When we had such a close margin there, it only makes sense to do the higher amount. We could always go back. Hopefully, we can go back. Hopefully, this thing doesn't continue to go higher. I just hate to do it during the summertime, people are using the most energy and kids are home. It's really the worst timing I've ever seen.

Ms. Mika said you could make an adjustment now and we'll have more information in another few weeks and a few weeks after that. So additional adjustment if you want could happen as well.

Mr. Cisneros said just real quick Mr. Chairman, is that the 4th row days of cash 36, 42, 45 doesn't include the &7 million. If we include the $7 million we're down to 61, 66 and 69.

Chairman Fee said, but still that's close.

Mr. Cisneros said it's still close. It's still very close.

Chairman Fee and one increase and that could be cut down by 10 days really quick.

Mr. Cisneros said it sure can.

Chairman Fee said and we didn't have very much in reserves that we we're working with. Especially when you're taking like the under-collection this month. That's why I prefer to get ahead of it and with an expectation that we could pull this thing back as soon as we feel there's a little bit –

Mr. Cisneros said Barbara can you go to the slide where you show 3 lines for the charts. What you're talking about is that the green line, you know, if we get to October if we get to sometime later this year or early next year you're able to reduce that. There is a possibility; but right now, I can't answer that today.

Chairman Fee said it doesn't look optimistic based on the reports we've heard before.

Mr. Cisneros said but I think your point being is if we do the 41 we get compliant right away and then we could potentially reduce it in future. The 26 is an increase and we can still use the bond proceeds to help us be compliant. Just wanted to make sure that the board had several options.

Mrs. Gibbons said we were in the past somewhere between 75 to 90 days with cash on hand. Correct? So, this is cutting that in half. Even if we make our adjustments, then we're going to still be below what our -- what we were typically before with our negative PCA. I am curious, do you have some examples off the top of your head, what is in that $7 million bucket?

Mr. Cisneros said there was some -- I don't remember the list. We can provide the list to you. Some substation stuff, water stuff.

Ms. Mika said we went for the meatier projects you know that we'll – we can still move forward and fund and proceed with those projects we're just not going to fund it from restrictive we're

going to fund it from the bond proceeds. Those projects will go forward it's the projects that we deferred the $10 million or so; and or cut that will have to come back at a future date.

Mr. Cisneros said also the timing of what we're talking about today is April we had, oh I'm sorry yeah April we had the distribution to the city. We just happen to have the timing of our distribution to the city and some of our other payments in conjunction with the PCA costs going up and in the middle of our bond refinance -- our new bond series.

Ms. Mika said we also have our debt service payment to make October 1st.

Mr. Cisneros said we have a lot of things happening at the same time.

Ms. Mika said a lot of debt service to pay.

Ms. Bennett said I'm just thinking about the customer and this is a very crucial time for them right now and to ask them to raise the rates, we're going to raise them already and to ask them to raise them again, some people can't afford that. They just cannot afford another hit like this and I understand the situation we're in, but can we look at some other means of what we can cut back on with those $7 million that you were talking about that we can help the customer and the rate payer. Because this is a big bang for them and I'm thinking about some of the people that lives in district one. This is a real big bang for them and for them to be barely making the bill and paying it and then to turn around and ask them to come up with more money that they don't have, and a lot of people are out of work over the summer. I mean schools closed. You only get two checks for the summer and that's it. They can't afford that and I understand where we are at, but we need to think about them and see where we can cut whatever we're trying to fund and help them out.

Mrs. Gibbons said I have a question too. In response the that I asked other day about some of the covid fund maybe still being available have we looked into that to see what -- because ultimately, this is because the federal government is not allowing more flow of our gas. Whether or not that's due to covid or change of administration, should not be hurting our, you know, our community. I don't know if that -- maybe they know something more than we do. I don't know.

Mr. Cisneros said I have not looked into any kind of covid funding to potentially offset this or any of the ARP funding to offset this, but we'll continue to look into that. I haven't had a chance to look into that since we talked last. I hear you loud and clear we will continue to look at our budget and present another PCA adjustment. We'll make sure we bring it back every board meeting every chance we get to the board meeting at least once a month to the board to address your question Mrs. Bennett.

Mrs. Gibbons said I think is important time to be pushing out our WEOP. I think we talked about it at the last meeting to have that communicated out, again. I mean, really, we are going to -- how much do we have in the we-op program?

Mr. Cisneros said I believe it's $225,000. I believe it's $225,000 in the we-op program. We will make -- to I believe at the next board meeting we'll have an opportunity to show you what's in the WEOP as far as what we're going to revamp the WEOP. We also as Navid and Sharon mentioned they are pushing out how to conserve energy through their platform. We will continue to share that as well because that's really important for the summer. You can do quite a bit for reducing some energy when -- especially when not home or if you are home helping to reduce some of that energy. There're some things we can do to help our customers to educate them. We will continue to push that forward. The WEOP is an important one and energy conservation tips is also another important one. We will –

Mayor Hudson said Mr. Chairman, also what do you call it standardized monthly amount? I forget what you call it. You know where you spread out your average.

Mr. Cisneros said budget billing and we will definitely push that out as well.

Mayor Hudson said the average person isn't walking around knowing that natural gas prices are doing this. This is not something we are doing. They don't know anything about that. They don't know anything about it. We learned about it today and of course, we hear about it from time to time. If we could take what was presented to us today and make something kind of an education piece –

Chairman Fee said something that they can understand.

Mayor Hudson said something that they can understand, not I mean this is pretty high level for me and I don't know if it is for anybody else. In terms of just vocabulary and things that they can understand. The main thing that we want them to understand is that this is not something we're doing because we want to do it this is something we do because we have to. We don't have any choice or else they are not going to have any power and we're not going to have power.

Mrs. Gibbons said we're not making any money on it. This is literally just a pass through.

Mayor Hudson said the PCA isn't even involved in the transfer. It's simply to pay for the product. I don't think a lot of people understand that.

Mr. Cisneros said I see Sharon shaking her head so we'll make sure we work with her to put together something and also, I know that Rachel is probably already brainstorming on how to communicate that and Jann probably as well. You are absolutely right. We need do need to communicate that in a different way and in laymen's term. Because everyone understands gas

going up at the gas pump. That's easy, this is very similar. It's not -- we don't control that. I mean, we are an essential service utility. It's a little bit of a different commodity. You need water and electric. We understand that communicating with the customers is important.

Mayor Hudson said and Mrs. Bennett is right if you can't afford to pay the increase we're not going to get the -- these lines won't be met anyway if a lot of people – you know what I mean. We have to we have to I know we have to pay for the cost of the product. We have to think about the customer and try to help the customer as much as we can and still be able to pay for the product. Those are some of my ideas in terms of having a monthly amount that's standard.

Mr. Cisneros said budget billing great. We'll make sure we continue to market that. That's a big one. We don't have a lot of customers that do that. We did push it out a couple of months ago, but we'll make sure we push that out hard especially during the summer months.

Mrs. Gibbons said I joined the board in the middle of the chaos of covid. At the time we had some funding that was given to a couple of the local nonprofits to help support, not that I'm saying we should pay their bills, but if they fell short or something or if they had below a certain income or something.

Mr. Cisneros said we used WEOP money and we gave it conservation money and we ended up coordinating with Mustard Seed and Alfy.

Ms. Mika said we were very careful not to use our own budgeted funds because we can't. So we used the WEOP because we weren't doing WEOP with the covid.

Mrs. Gibbons said it's just so smart to use the WEOP. However, it doesn't help them long-term. I hate to –

Ms. Mika said that was the budget from 2020 so it's been replenished it's '21, '22 we budget it every year.

Mrs. Gibbons said for this kind of event. I would not want -- that money is going to better served for that community or any community that needs to have updates to their home. Because it will pay itself off triple fold instead of just right now.

Mr. Cisneros said we do have some pretty good ideas about what we're planning to do with the WEOP and revamping that program as far as trying to reach more customers, make improvements that make immediate impact. Maybe smaller number of improvements to make an immediate impact and try to get as many customers as possible. We're working on something and we will make sure that we get that wrapped up and present to the next board meeting.

Mrs. Gibbons asked Barbara are you familiar really well with WEOP considering you may hear most of this feedback. You know, I want to make sure that you're –

Mayor Hudson said the weatherization program.

Mrs. Gibbons said yeah and how to funnel people to fill these programs out. Maybe we all need a little –

Mr. Cisneros said we will get that to the next board meeting.

Mr. Lammers said so I have some things to add to that. I knew this conversation was coming up today and there's a few things, but one is I reached out to Doug Cower with SELF. We spoke at length and you know, that organization they are well-known throughout the country for what they do and they're right here in St. Lucie County. They offer low interest rate financing for the type of thing we're talking about right now. At no point, since I've known about the program will it be more critical for us to push that than it is right now. I know with our engineering firm that's something we're going to start pushing and marketing and presenting to customers is hey, we can offer this service. You can get low interest financing that will reduce your electric bill more than the monthly payment of the loan will cost you. One of the things that came up during the course of the conversation was not only should we as utility be pushing that program, but there may be some opportunity to combine WEOP funds with the loans so that we can help a lot more people. That's something we strongly need to consider. That being said, I know we need to raise the power cost adjustment in order to adhere to our existing bond covenants. With everything going on right now, as a board and the FPUA leadership should have some break point in mind to say, the stars were aligned, everything was working out for us to go get new bond money and move forward on some big projects. That's not true anymore. I mean, I would give a big toe to grow, but my mother-in-law had a saying there's only so much blood you can give. At what point do we say there's nothing left to squeeze out? I'm not ready to say right now I'm at that point to recommend that we just pump the brakes and stop the train from going forward on some big projects we want to do. We should be thinking about that. Everyone on the board, I believe should have some break point in mind and say okay that's it we have to stop now. We just can't continue to ask more from our customers.

Chairman Fee asked anyone care to make a motion?

Mayor Hudson said no.

Chairman Fee said I understand -- someone will make it with reservations, but we do need to take some action. Even if we vote to take no action it's still action. It's not advisable. Unfortunately, I'm not allowed to make the motion.

Mr. Lammers said one last question Mr. Chair. The recommendation for the total PCA of $44 is that the minimum we need to meet our bond covenant based on the projections? Ms. Mika said no the minimum we need is $41. We're trying to give other options so that, that they weren't meeting the target. We pulled up scenarios they weren't meeting the target so we were looking for what else can we find in cost that we can contribute to the bond proceeds. It was discussed and brought up we could qualify some of the rate-funded projects that were not previously deemed to be part of that. The issuance for and consider those as part of the issuance.

Mr. Cisneros said so the $44 –

Ms. Mika said it allows us the cash.

Mr. Cisneros said right the $26-plus would postpone some other capital projects that we have on our list. The $41 would not postpone some of the capital projects.

Mayor Hudson said I heard what you said about the $41. In one sense I think that it's -- this the what we did with the PCA before we just went off and did $18 and bit the bullet. We did that. We did that. But I don't feel so strongly about that. Now I'm wondering if we could do the $26 increase and then see what's happening next month and then sort of see if we have to go to $35 increase and then the next month do we have to go to the $41. Does that make it more palatable?

Chairman Fee said something tells me that the next two options will be a lot higher than what's here.

Mayor Hudson said we could be in that. We could be in that boat.

Ms. Mika said keep in mind, too if we do the $26 now and we do something incremental in August or whatever you're not going to recoup as much now because you are only doing the $26. It may be more of stretch than going to $35, it might be $40 or something. I'm not knowing numbers. You are not recouping as much now. You need to make it higher to recoup what you thought you would get. You are not getting as much now.

Mayor Hudson said these lines were based on getting them.

Ms. Mika said you need to take a bigger step than after. The options are out there.

Chairman Fee said my thought was if you raise it up the $41, we can get into that zone quicker we can reduce it quicker. Because the longer we let this go out it's more risk that the market is still going to work against us which makes us have to take a higher step and, you know, we're kind of lucky that we didn't raise the lower down the PCA a couple of months ago or we might be at a $60 increase right off. I still need someone to make a motion even if they like it or not.

Mayor Hudson said so let me be clear about the fact that am I remembering this right the price of natural to us is 3 times what it was a year ago.

Mr. Cisneros said yes ma'am.

Mayor Hudson said am I remembering that right. So, the product has tripled so when we make a budget this year, are we go -- we're going to have to budget the higher price?

Mr. Cisneros said we are going to budget the higher price and before we finalize that budget, we would bring a discussion item to board for locking those prices in the future so we can mitigate that higher budget that we would expect if we didn't lock in those gas prices. I hope that answers your question.

Mayor Hudson said yeah. Obviously, you would have to.

Mr. Cisneros said we would do everything possible to mitigate a future -- much larger budget increase compared last year.

Mayor Hudson said yup.

A motion was made by Mayor Hudson, seconded by Mrs. Gibbons, to approve an increase in the Power Cost Adjustment (PCA) of plus $41 per 1,000 kWh, from $18 going to $59 per 1,000 kWh, effective July 1, 2022.

Chairman Fee said motion carries.

Mr. Cisneros said the Utility Advisory Committee is scheduled to meet tomorrow in this chamber from 4:30 to 5:30. We'll have the team on hand to help the utility advisory committee through the process and we'll make sure we keep the board and city commission up to speed with the progress. That should be exciting for tomorrow.

Yesterday afternoon and evening we had a storm event that I would compare to a small, but yet powerful hurricane with tornadoes and lightning. It affected approximately 19 feeders, but ultimately, we had 8 feeders lock out and we had dispatch and crews working until 2:30 this morning. We had some additional crews come in afterwards to help address sporadic outages. I would like to thank dispatch and the crews for their safe and fast response to restoring power. Yesterday was a crazy event.

We had our first meeting today with Resilient Florida Program and it was a good meeting. We specifically talked about the relocation of the wastewater plant. It seems to be a perfect candidate for their scoring matrix as it relates to grants. At the next board meeting Rachel will

provide an update on our grant portfolio and grant initiatives related to grants. I would like to congratulate Rachel as she is now in the role of public affairs and sustainability. This is part of our transition plan with the upcoming retirement of Jann Widmayer in early September.

I'd like to thank the FMPA staff for being here today. They did a fantastic job and one last thing that I will mention is that Thursday we have the signing of the loan Mr. Fee and Mrs. Bennett – Dr. Bennett will be there to sign as the Chairman and Secretary. It will be a big day. It's 8:30 in the morning.

Chairman Fee said we're a little bit more flexible now.

Mr. Cisneros said ok. So, everybody is showing up at 8:30.

Chairman Fee said 8:30 it is.

Mr. Cisneros said we have a big crew coming to make sure we can sign those documents. We'll have that on Thursday and then the final closing of the loans will be June 21st at 10:00am The same day as the next board meeting and just a reminder we do have the next board meeting is after a holiday. We didn't change our time. We'll have our meeting at 4:00. I believe, right, Jill? Most likely a shorter meeting, but we'll have to be out by 6:00.

Ms. Sabota said that's July.

Mayor Hudson said the second meeting in June we start at 4:30. That's on my calendar. This meeting is at 2:00.

Ms. Sabota said that's correct.

Mr. Cisneros said thank you Mayor Hudson thank you Jill. I didn't look at my calendar correctly. We start earlier that day that's right it is June. Our meeting will start earlier at the next board meeting at 2:00pm and we'll make sure that we get that out to the board members. That's all I have Mr. Chairman.

Chairman Fee asked any report from the attorney.

Mr. Koblegard said nothing to report. I will not be here on the 12th remember. Duane told me he would get my documents to me by tomorrow. I haven't gotten anything yet.

Mr. Cisneros said okay.

Chairman Fee asked any comments from the Board Members? This was a hard meeting, but I hope and I know you will, you will continue to look at items that we can cut in order to help our rate payers.

Mr. Cisneros said yes sir we will.

Chairman Fee said the economic cycles are tough. When it's good times it falls by recessions, it's just the way it works. The question is, how long will it last. It will pass in time. Just hopefully this would be a small time. Because I did not like having to raise rates like we did during the summer. It defeats all the hard work we've done in the past years. Unfortunately, economics is economics. The numbers count.

Mayor Hudson said this beyond our control.

Chairman Fee said it is. It's truly beyond our control and I really wish the government would do something to help us and those similarly situated throughout the country because I don't think we're the only community feeling it.

Mr. Cisneros said no everybody is feeling it.

Mrs. Gibbons asked would it help to get the community members to sign a petition or anything? To help support --.

Mr. Cisneros said we could do some outreach to help give the public some knowledge about what's going on and help them push that information or their concerns to their local representatives specifically the energy committee that's pretty important for us to do that. They are the ones that really are on the committee and can make some impact. That's a good suggestion.

Mayor Hudson said our advisory committee, are you going to be sharing the letter with them tomorrow?

Mr. Cisneros said we can.

Mayor Hudson said and letting them know what's going on and what we need to communicate -- is there any member of congress on the energy committee oh that's senate? From Florida I was just -- there isn't.

Mr. Cisneros said no I don't think so.

Mr. Koblegard asked are any members of the advisory committee going to attend our meetings?

Mr. Cisneros asked are they going to attend our meetings? We had one member today attend our meeting from the utility advisory committee.

Mr. Koblegard said I think it would be helpful if they would attend.

Mr. Cisneros said I agree with you.

Mayor Hudson said or at least watch us on tv.

Mr. Cisneros said we will talk about the utility advisory – I mean the FPUA board and our meeting schedule because they'll need to know that. Part of their scope of work is to provide some updates to the FPUA board about how can we do things better. They do have -- they will have to be engaged with the FPUA board and also the City Commission.

Mayor Hudson said and the public. They are going to need to understand what's behind this, what we learned today and what we had to do.

Mrs. Gibbons said I would love for them to be involved in the WEOP discussion. The more people that know how to communicate it, and where to direct people the better off we will all be.

Mr. Cisneros said more champions the better, absolutely.

Chairman Fee said all right. I think we stand adjourned.

There being no further business, the meeting was adjourned at 6:46pm.

ATTEST:

SECRETARY

CHAIRMAN