MINUTES OF A REGULAR MEETING OF THE FORT PIERCE UTILITIES AUTHORITY, TUESDAY, MARCH 7, 2023, 4:00 P.M., CITY COMMISSION CHAMBERS.

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

Others present: Javier Cisneros, Director of Utilities; Barbara Mika, Director of Finance and Administrative Services; Daniel Retherford, Director of Utility Support Services; Bo Hutchinson, Director of Water/Wastewater Systems, Craig Crawford, Director of Electric & Gas Systems, and Jody Finklea, Special Counsel to FPUA Board.

The meeting was called to order by Madam Chair Kristina Gibbons.

Opening Prayer was by Carol Wilson, Human Resources.

The Pledge of Allegiance was recited.

The roll was called and a quorum declared.

ITEM A: SET THE AGENDA

A motion was made by Mayor Hudson, seconded by Mrs. Bennett, and unanimously carried to approve the set agenda with walk-on item.

ITEM B: APPROVAL OF MINUTES

A motion was made by Mrs. Bennett, seconded by Mr. Lammers, and unanimously carried to approve the Minutes of the Regular Meeting of February 21, 2023.

ITEM C: COMMENTS FROM THE PUBLIC

ITEM D: CONSENT AGENDA

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

ITEM E: RECOGNITION OF EXCELLENCE

ITEM F: OLD BUSINESS

ITEM G: NEW BUSINESS

1. Barbara Mika presented the Power Cost Adjustment for January 2023 – For Information Only

2. Fred Gaddis presented the Natural Gas Rate Stabilization Fund Updated for February 2023.

A motion was made by Mr. Fee, seconded by Mrs. Bennett, and unanimously carried to approve the increase of the Purchased Gas Adjustment (PGA) of +$.07 per ccf from $0.17 per ccf to $.24 per ccf, effective April 1, 2023.

3. Approve the supply agreement with Meritage Homes of Florida, Inc. issuing a credit to the wastewater capacity improvement charges of $276,239.00 to upsize the offsite force main on S US Highway 1 from a 4" to an 8" diameter pipe.

A motion was made by Mrs. Bennett, seconded by Mr. Lammers, and unanimously carried to approve the supply agreement with Meritage Homes of Florida, Inc. issuing a credit to the wastewater capacity improvement charges of $276,239.00 to upsize the offsite force main on S US Highway 1 from a 4” to an 8” diameter pipe.

ITEM H: AWARD OF BID

ITEM I: RESOLUTIONS

ITEM J: DIRECTOR

Mr. Cisneros said a couple of quick items. I have received a proposal for a facilitator for our strategic planning session and I realized that we will require a little bit more time and just a single day as we discussed at the Board level. I have provided a draft proposal. We only have one as of right now. It does identify the scope of work that I’m looking to put together and it is very similar to what the FMPA Board did for their strategic planning session. It was modified to fit FPUA’s needs. We will likely bring a proposal to the next Board meeting for approval and then work on a timeline. April 26th will be our kickoff as opposed to our end. You will see in the proposal there are specific tasks to be accomplished by the facilitator with staff and the Board of Directors. This afternoon, you received a hard copy of the six applicants that we have for the FPUA Board Attorney that we have received to date. Mrs. Gibbons will mention something here about one of them. As part of a recent discussion with Madam Chair, she asked for a copy of the charter. I have provided a hard copy for all the Board members as a refresher to look at. The last thing, we have

supply chain issue with larger transformers. This came up because of a project that is specifically looking to move. We tapped into our resources at FMPA and some other manufacturers to see if we could acquire some materials that are in high demand to facilitate this kind of development. Unfortunately, we have not been successful, but we will continue to move in that direction to see if we can find some resources. In the meantime, it sounds like we found a solution. The transformers are 52-week lead time, not just for FPUA, but many other utilities. We reached out to two or three other utilities through FMPA. Those utilities cannot afford to give up the transformers that we need because they also have projects that have been dedicated to those transformers. We will likely bring an emergency purchase request similar to what we did last year before the board to be able to make emergency purchases because we need to get ahead of it as best as we can with all of the development going on.

ITEM K: ATTORNEY

Mr. Finklea said I'll start with last week I was in Washington DC and one of the things we do each year through the State Trade Association, we lobby all of the members of the Florida Delegation on issues that are important to you. Transformers were a particular point of information last week with the members of congress. We have met with most of all of the Florida Delegation and we let them know that the supply chain issues are still very real. The Department of Energy is imposing new efficiency and material requirements on transformers at exactly the wrong time, when there is already short supply. We shouldn't be making it more difficult to get things in the supply chain. Potentially a letter from the Florida Delegation to the Secretary of Energy on that topic. Turning to Tallahassee, today is the first day of the legislative session. Last week there were two bills that were filed of particular importance to you. Senate Bill 1380 and House Bill 1331. What they say is that if you are a municipal electric utility or gas utility or a water and wastewater utility, and you serve customers outside of your city limits, you will be subject to the full regulatory jurisdiction of Public Service Commission, which means that the rate-setting that you do today, here at the Dias in Fort Pierce, would be subject to approval and ultimate rates would be done in Tallahassee by the Public Service Commission. The other things these bills say is that if you are serving outside the city limits and subject to full PSE jurisdiction, you are prohibited from making a transfer of utility revenues to the general fund unless those funds are used for utility purposes. There are a number of issues going around the state that have contributed to this. When I presented on behalf of the FMEA to the House Energy Subcommittee a couple of weeks ago, particularly addressing members of the legislature from Gainesville who have concerns with things that are going on in Gainesville. Gainesville has the second highest rate in the state, residential and commercial. A lot of that is driving this. While these bills are bad in terms of the authority, they take away from local governing bodies, and part of being a municipal utility, you are making the decisions here locally for your community and this will take almost all of that away. But while they are bad, it is a long session, today is day one. It is a 60-day session. We have meetings with sponsors today and tomorrow, and then the lobbying team will be getting together and comping up with the strategy to work these bills. Certainly, there will be some room for improvement in these bills. And we really have to see exactly what the impetus is behind the

bills. There will be calls though the trade association throughout the next couple of weeks to give you information about how things are going.

ITEM L: COMMENTS FROM BOARD MEMBERS

Mayor Hudson said I want to say thank you to the FPUA staff for participating in the Great American Cleanup, they cooked lunch for us and it was good. I appreciate it. I know it was hot, hard work. It was hard work out there cleaning it up. We had a lot of fun. We had a good group of employees.

Mrs. Gibbons said as Mr. Cisneros alluded to, today we interviewed a candidate that thing that you guys should also interview. I have given him direction to contact you guys and try to set up. There is another candidate that I'm interested in. And if you guys can also look through this and see if there is anybody else that you think you would like to interview, and let him know. The one we met with today seems highly qualified, and very good personality for what we are looking for. Jody to develop questions for the Board Attorney interviews. A couple of things that Mr. Cisneros and I have been discussing is the Strategic Planning Session. As he said, it is going to be pushed back a little bit. It sounds like it is going to be a great solution for us. Think of some topics you would like to discuss in this meeting. One item is the agenda, the way it is currently laid out. Another thing that I was looking at was training for the Chair. Description or expectations for each of our roles. Also, big-picture responsibilities. How do we want to look at the future, how are we going to lay out new ideas? Mr. Cisneros to provide the information from the Charter Review of 2017.

Madam Chair Gibbons said if nobody has anything, meeting adjourned.

ITEM M: ADJOURN

There being no further business, the meeting was adjourned at 5:09 pm.

ATTEST:

SECRETARY

CHAIRMAN

Note: These minutes are not verbatim, only important issues and motions are reproduced in writing for the benefit of the Fort Pierce Utilities Authority and Board Members. The recording itself is the official record for the meeting.