

**MINUTES FROM THE COVID-19 RESPONSE
OF THE UTILITY BOARD OF THE CITY OF KEY WEST, FLORIDA,
HELD AT 10:30 A.M. ON MONDAY, MAY 4, 2020 AT
THE KEYS ENERGY SERVICES BOARD ROOM**

The above referenced workshop of the Utility Board of the City of Key West, Florida, convened at 10:30 A.M., on the above date and location and was called to order by Chairman Batty. This meeting was held on a virtual platform due to COVID-19 required social distancing.

Utility Board Members Present

Peter Batty, Chairman
Mona Clark, Vice Chair
Robert Barrios, Member
Timothy Root, Member
Steven Wells, Member

Staff Present

Lynne Tejeda, General Manager & CEO
Nathan Eden, Utility Board Attorney
Jack Wetzler, Assistant General Manager & CFO
Nick Batty, Director of Legal & Regulatory Services
Edee Delph, Executive Assistant to GM/CEO & UB
Fred Culpepper, Transmission & Distribution Director
Julio Torrado, HR & Communications Director
Erica Zarate, Customers Services Director

Mr. Julio Torrado provided a briefing on the use of technology and general guidance for the conference call/virtual meeting.

Agenda Item #3 – Discuss KEYS' COVID-19 Response

Mrs. Tejeda provided a power point presentation, which included the following:

Mrs. Tejeda provided the Board with information on the following:

- Current Status of KEYS
 - Response Plan for Employees an Operations
 - kWh Sales/Peak Loads

Mr. Wetzler provide the Board with information on the following:

- Current Budgetary Information
 - Available Funds
 - Hurricane Season Reserves/Funds
 - Sales Projections for remainder of FY
 - Deferred Payments/Uncollectible Projections

Mrs. Zarate provided the Board with information on the following:

- Current Status of Customer Payments
 - Customer Payments for March 2020/ April 2020
 - Automated Phone for March/April remained same at 2%
 - Website Payments for March/April remained same at 14%
 - Lockbox/ Mailed March/April remained same at 15%
 - Customer Service Rep via phone for March/April remained same at 4%
 - Drop Box for March at 2% and April 4%
 - Customer Service Rep at Service Bldg. March 10% and April 6%
 - ACH, PAP, CC/EDP and Check Free for March 53% and April 55%

Mrs. Tejada provided the Board with information on the following:

- KEYS updated messages to customers in March stating:
 - Disconnections stopped for non-payment on March 16, 2020
 - Penalties turned off on March 19, 2020
 - Prior Penalties Reversed if COVID-19 Hardship
 - Announced no DNP on March 24, 2020

Mr. Wetzler provided the Board with information on the following:

- Past Due Balance as of April 30, 2020
- Projected Deferred or Uncollectible Balances May to September

Mrs. Tejada provided the Board with information on the following:

- KEYS updated messages to customers in April stating:
 - Suspension of disconnects is temporary
 - Normal disconnection practices will resume
 - Utility bills will not be forgiven
 - Added "we need to hear from" message to all past due customers communications
 - Added LIHEAP information to all past due residential customers communications

Mrs. Tejada stated that Customer Service Reps are calling every commercial customer that has not called to make arrangements.

Mr. Wetzler reviewed the following with the Board:

- Past due balance as of April 30, 2020
 - Projected Deferred or Uncollectible Balances May to September
 - Estimated Reduced Revenues May to September

The Utility Board and staff discussed offering rate relief for May and June reconsidering for July; Deferring Payments as described by staff over a year, providing Miscellaneous Assistance as needed, Referring Customers to Social Services and Creating Assistance Program for Customers.

The Utility Board had a brief discussion on funding the Residential Customer Assistance Program. The Utility Board unanimously agreed funding is not-to-exceed \$100,000.00.

There was also a brief discussion on available funds in the Hurricane Fund account. The Utility Board unanimously agreed that the Hurricane Fund account was not to be allocated.

After the presentation and Utility Board discussion was concluded, the Utility Board directed staff to provide the Utility Board with the following information at the next Regularly Scheduled Utility Board meeting on Wednesday, May 12, 2020, for approval:

- Create COVID-19 Deferred Payment Plan Program for Commercial and Residential Customers.
- Create Residential Customer Assistance Program.
- Authorize General Manager/CEO to make temporary changes to the Customer Service Policy Manual to address COVID-19 related hardships.

Chairman Batty asked Mrs. Tejada to provide the Board with an update on how disconnected customers will affect the Bond Covenants. Mrs. Tejada stated staff discussed with Bond Counsel who indicated, with this being an unprecedented event the rating agencies and bondholders' concerns are that debt service coverage is maintained and debt service payments are received. Mrs. Tejada stated that the funds are available to make payments twice a year as required.

Item #4 – Public Input

There was no Public Input to come before the Board.

(All documents discussed are available upon request)

ADJOURNMENT

The Utility Board Workshop of Monday, May 4, 2020, was adjourned by Chairman Batty at 12:18 p.m.

APPROVE:

Peter Batty, Chairman

ATTEST:

Lynne E. Tejada, General Manager/CEO & Secretary

/ed