

MINUTES FROM THE REGULAR MEETING OF
THE UTILITY BOARD OF THE CITY OF KEY WEST, FLORIDA,
HELD AT 5:00 P.M. ON WEDNESDAY, FEBRUARY 9, 2022
KEYS ENERGY SERVICES BOARD ROOM
1001 JAMES STREET, KEY WEST, FLORIDA

Due to technical difficulties, audio is not available for this meeting. This meeting was held on a virtual platform due to COVID-19 required social distancing.

1. Pledge of Allegiance
2. Invocation
3. Mission and Vision
4. Roll Call

Present: Mr. Robert Barrios (in-person), Mr. Pat Labrada (in-person), Mr. Steve Wells (in-person), Utility Board Vice Chair Mr. Timothy Root (in-person), Utility Board Chair Ms. Mona Clark (in-person).

Also present at the meeting:

Lynne Tejeda, General Manager & CEO (in-person); Nathan Eden, Board Attorney, (in-person); Dan Sabino, Assistant General Manager & Director of Engineering & Control Center (in-person); Nick Batty, Director of Legal & Regulatory Services (virtual); Fred Culpepper, Director of Transmission & Distribution (virtual); Julio Torrado, Director of HR Communications Director (in-person); Jesse Perloff, Director of Finance & CFO (virtual); Joe Weldon, Director of Generation (virtual) and Erica Zarate, Director of Customer Services(virtual).

5. Set Agenda
6. Recognition and Presentation

Item 6a) KEYS Outstanding Employee of the First Quarter – Juan LLera

Utility Board Chair Ms. Mona Clark stated that with great pleasure the Board recognizes Mr. LLera as Outstanding Employee of the First Quarter. Mr. LLera has been with KEYS for three-years and currently serves as KEYS' Safety & Risk Coordinator. In his current post he is responsible for evaluating and overseeing the administration of KEYS' safety and risk programs, including all necessary training programs, and identifying and limiting KEYS risk exposure.

Mr. LLera was present and thanked the Board for recognizing his efforts.

Item 6b) - Florida Municipal Power Agency (FMPA) Annual Update

Mrs. Tejeda welcomed Mr. Ken Rutter, Chief Operating Officer for Florida Municipal Power Agency (FMPA) and Mr. Jacob Williams, General Manager and CEO of Florida Municipal Power Agency (FMPA).

Mr. Rutter informed the Board that FMPA will provide their Annual Update to the Board and will discuss the following, Fuel Discharge Remediation, Natural Gas Market Conditions, Solar Phase Three Update, Battery Storage Recommendation.

Fuel Discharge

Mr. Rutter assured the Board that FMPA is committed to taking all necessary steps to stop the discharge from entering Safer Harbor and it is a top priority for FMPA.

Mr. Rutter stated that excavation is successfully cutting off the flow of free product to Safe Harbor and there has been a significant decline in the amount of free product in trench. Currently the work in the containment area limits the use of tanks 1, 2 and 4, and the goal is to have one tank operational by hurricane season.

Mr. Rutter said a plan is being developed for borings, monitoring wells and boring excavations within the containment area. FMPA has an aggressive schedule to ensure a timely resolution and construction is currently estimated at six to eight weeks dependent on contractor mobilization.

Mr. Root expressed concerns about the ongoing expenses and whether insurance would cover the costs. Mr. Rutter explained that insurance covers third parties and KEYS would be the third party. He stated that there is enough circumstantial evidence pointing to Tank 2 that allows FMPA to submit a claim to AEGIS for KEYS expenses associated with the cleanup. Mr. Wells asked if FMPA is accepting liability for the discharge and Mr. Rutter responded yes absent any additional information the evidence is pointing to Tank 2 which would make MFPA liable.

Mr. Wells expressed concern about the pending Administrative Order and whether this discharge might become federalized. Mr. Rutter said FMPA would move quickly and be responsive.

Ms. Clark asked how this might impact Hurricane Season. Mr. Rutter explained that FMPA and KEYS are working on contingency plans to ensure that Tank 4 will be operational, which may require modifications to the containment area.

Natural Gas Market Conditions

Mr. Williams informed the Board that the oil and natural gas market in the United States (U.S.) is fundamentally changing, and the era of abundant supply and infrastructure will end.

Mr. Williams stated that in the last 10 years the U.S. has benefitted from fracking and new pipelines are not in place to keep up with the demand.

Mr. Williams stated that FMPA is doing what they can to manage the price increases in natural gas, such as entering long term contracts which provide discounts.

Solar Phase Three Update

Mr. Williams informed the Board that currently there are 16 participants with two phases totaling 373 megawatts. At this time, Keys Energy has a total of 30 megawatts available from phase I and II.

Mr. Williams stated that several FMPA Member Cities are looking at a phase III. A request for proposal was issued in January 2022 with responses due in March 2022.

Mr. Williams reviewed the phase III timeline with the execution of agreements in December 2022.

Battery Storage Recommendation

Mr. Rutter provided the Board with a brief update on battery storage, the transmission system constraints and how battery storage is a potential solution.

Mr. Rutter reported that after receiving back analysis, studies and assessing feasibility it is FMPA's recommendation to delay Request for Proposal (RFP) and revisit in mid to late 2023. Also, FMPA will continue to monitor pending Federal Legislative Actions.

A copy of the presentation is available.

7. Informational Items:

a) Department Staff Report – Tree Giveaway – Julio Torrado, Director of Human Resources & Communications –

Mr. Torrado stated that the program began in 1994 as part of a program called TREE POWER sponsored by the American Public Power Association (APPA). The national goal was to plant one tree for every public power customer for a total of 16 million trees. KEYS received the Golden Tree Award from the APPA for reaching its goal of planting one tree for every customer it serves in 2004. To-date, KEYS has given away over 40,000 native shade trees. The Tree Giveaway took place annually until 2009 when it began being offered every other year. 2022 marks the 20th Tree Giveaway in KEYS' history

Mr. Torrado said the purpose of KEYS Tree Giveaway to help native shade trees thrive with minimal maintenance and yield shade to cool homes and help reduce energy costs. Also, to help and promote effective tree planting strategies to help prevent future need to trimming and tree related power outages.

Mr. Torrado stated that this years Tree Giveaway will take place on Saturday, April 23rd at 8:30 a.m., at the KEYS' Service Building and Cudjoe Site on Blimp Road. All KEYS' customers are eligible to receive two free native shade trees.

Mr. Torrado also provided the Board with KEYS Upcoming Events:

- EAC Egg Hunt – Sat. April 9
- Tree Giveaway – Sat. April 23
- Ocean Fest – Sat. April 23
- Calendar Contest Winners recognized at Board meeting. – Wed. April 27

A copy of the presentation is available

- b) Power Supply Report – January 2022
- c) Generation Report – December 2021
- d) Rate Comparison Report – December 2021
- e) Financial & Operational Indicators – December 2021

Mrs. Tejeda stated the agenda items 7b, 7c, 7d and 7e, are included in the Utility Board packet and staff is prepared to answer any questions. There were no questions.

- f) Jose Rodriguez Dedication Thank You –

Mrs. Tejeda thanked the Board for attending the Jorge Rodriguez Materials Warehouse Dedication on Friday, February 4th, and for their on-going support. Mr. Wells also thanked the Board and KEYS staff on behalf of the Rodriguez family.

- g) Line 7 Static Installation Project Update-

Mrs. Tejeda informed the Board that all repairs of the concrete transmission poles throughout KEYS territory and the replacement of the static line is complete.

8. Consent Agenda*

- a) Approve Minutes - Regular Utility Board Meeting – January 26, 2022
- b) Approve Minutes – Electric Vehicle Program Workshop – December 15, 2021
- c) Approve Disbursement Report

Motion: To Approve Consent Agenda, **Moved by** Vice Chair Mr. Timothy Root
Seconded by Mr. Steve Wells.

Vote: Motion carried by unanimous roll call vote (**summary:** Yes = 5).

Yes: Mr. Robert Barrios, Mr. Pat Labrada, Mr. Steve Wells, Utility Board Vice Chair Mr. Timothy Root, Utility Board Chair Ms. Mona Clark.

9. Public Input / Other Business

There was no Public Input or Other Business to come before the Board.

10. Adjournment

Motion: To Adjourn the Regular Utility Board Meeting of Wednesday, February 9, 2022, at 6:17 p.m., **Moved** by Mr. Steve Wells, **Seconded by** Vice Chair Mr. Timothy Root.

APPROVE:

Mona C. Clark, Utility Board Chair

ATTEST:

Lynne E. Tejada, General Manager & CEO

/ed