AGENDA ITEM 4-b

☐ CONSENT ITEM FOR MEETING OF: February 23, 2015

☐ NEW BUSINESS FROM: CEO/General Manager

☐ OLD BUSINESS SIGNATURE: Ray Mitchell


SUBJECT: FY2014/2015 Strategic Initiatives and 2014 Strategic and Objective Accomplishments

SUMMARY:

Each year the Strategic Initiatives are produced through the CEO/General Manager’s office and provided to the Utilities Commission. The CEO/General Manager and U.C. Legal Counsel (contracted legal assistance in strategy and visioning) determined for 2014 to move the company in a positive, values-based direction operating with integrity and focus which is continuing.

(The attached strategic initiatives were comprehensively revised during 2013-2014 and disseminated to the U.C. Commissioners during development for comments, suggestions, and support; and were unanimously supported by the Utilities Commission during the U.C. Meeting held 2-24-14, agenda item 4-b.)

To reiterate the Vision, Mission, Strategies, and Objectives are accomplished and supported by seven (7) tactics which are selected by the CEO/General Manager; the tactics are depicted under each objective.

The Strategic Initiatives attached to this agenda item are posted on the UC’s website and were distributed internally.

The 2014 Strategic and Objective Accomplishments are also attached for review.

RECOMMENDED ACTION:

No action necessary, for information only.

Ray Mitchell

NOTE: ALL AGENDA ITEMS MUST BE IN THE GENERAL MANAGER’S OFFICE BY NOON MONDAY TWO WEEKS PRIOR TO THE REGULAR MONDAY COMMISSION MEETING.
SUMMARY (cont.):

Some of the strategic and objective accomplishments (not inclusive) for calendar year 2014 are listed below. In addition, various major accomplishments were listed in the FY2014 Comprehensive Annual Financial Report and are hereby attached and incorporated. Each annual accomplishment falls under two or more of the U.C.’s seven strategic objectives, and most support three or greater.

2014 STRATEGIC AND OBJECTIVE ACCOMPLISHMENTS:

In 2014, utility regulatory requirements were met or exceeded again in operations, as well as in reporting, and the U.C. remains industry competitive and realizing strategic enhancements in utility service operations.

Ensured and maintained policy directives of consistent application and enforcement of “no free service”, non-preferential treatment, and the enforcement of strong ethics policies throughout utility operations which produced unbiased, solid business decisions. Further establishment of this company as a positive, values-based operation with integrity and focus.

U.C. Legal Counsel initiated, in support of Commission ethics, integrity, and transparency, public declarations of Ex Parte communications by U.C. Commissioners as well as a specific item placement on U.C. Meeting agendas. Also provided additional guidance regarding Florida’s Sunshine Law.

Improved communications and additional insight for internal and external customers continuing through the development of educational and foundational informational items. Many being posted on the U.C.’s Transparency section of the U.C. website. (i.e., budget information, rate comparisons, UC Commissioner appointment, presentations, service and event notifications, asset management, and advantages of local ownership of public utility.)

Continued the solid adherence to conservative and cost effective financing policies and ongoing prioritizing of capital investment and planning. Maintained the U.C.’s infrastructure fee provision of the Developer’s Agreement and continued contractual and construction coordination with all external agencies in relation to capital projects ensuring mutually beneficial cost savings and avoidance of external cost obligations or risks into the U.C.’s rate base.

Rate increases were avoided and rates remained highly competitive by the continued utility system focused management through strategic planning, timely financial corrections, technical expertise, strict adherence to bond covenants and the funding of only legally authorized core services. This achievement was realized even when the U.C. faced a $3.5 million CR-3 impairment charge, power supply transmission constraints, and associated increased power supply costs - purchased power and fuel expenses increased 12.7% in FY2014, over $2.8 million when compared to the costs incurred in FY2013.

Reorganized Human Resources Department for increased employee development and operational support (on March 21, 2014). In recognition of critical expertise and upcoming operational challenges, approved hiring and resumption of the former Water Resources Department Director. The U.C. has realized ongoing development and improved service-based actions by employees throughout utility operations. Additional timely reorganizations are expected in support of improved operational efficiencies and customer satisfaction.

In connection with the enhancement of the U.C.’s Asset Management Plan, specifically regarding vacant and/or property with no foreseeable utility use, six properties were preferred for public bid. Additional properties are undergoing decommissioning, deconstruction, and/or salvage activities, and some increased aesthetic maintenance.
AGENDA ITEM 4-b (CONT.)
FOR MEETING OF: February 23, 2015

SUMMARY - Accomplishments (cont.):

Rates
The U.C.’s competitive rates for vital electric and water resources utilities supports all of our customers’ quality of life and the sustainability of our community.

Electric Rates-
During the summer of 2014, the U.C. reached unprecedented electric rate cost thresholds (FMEA FL Electric Bill Comparisons) - 2nd lowest of the 34 Florida municipal providers in the 1,200 kWh and the lowest in the 2,500 kWh residential rate categories. Remained lowest in the 30 KW - 6,000 kWh commercial rate, 2nd lowest in the 750 kWh and 1,500 kWh commercial rate categories. Approximately 12% less than state municipal average, over 15% less than state’s investor-owned utilities, and approx. 18% less than national average for typical residential at 1,000 kWh. (The U.C. is the 11th largest community-owned electric service utility in Florida serving 26,407 electric customers as of 9-30-14).

Water Resources Rates -
Also unprecedented water and sewer rate cost thresholds have been accomplished. In the SJRWMD 2015 Water Utility Rate Survey, within a comparison of four local, adjacent Cities and County (East) / (comparable treatment and costs) - The U.C. was 1st in all three gallonage levels for residential water bills (for 6, 15, and 30 KG). The U.C. was the 2nd lowest for these entities’ residential water and sewer combined bills at the 6 KG level, and 1st for the 15 and 30 KG levels. The U.C. was below the average water residential and commercial water bills at all three gallonage levels for the 50 utilities compared within the SJRWMD. The U.C. was also below the average of these 50 utilities for water and sewer residential and commercial bills except at the 30 KG gallonage level. The U.C. was above the average of 28 utilities for potable irrigation (due to conservation rate) and below the average of 37 utilities for residential reuse. (As of 9-30-14, the U.C. was serving 24,518 water customers and 21,444 reclamation (wastewater & reuse) customers).

GIS
For this multi-phase/multi-year capital project, initiated to realize operational cost-effective efficiencies and enhanced customer service, Implementation Phase I was effectively completed during 2014. Phase II has commenced in conjunction therewith which is the merging of the customer data with the now digitized maps and the automation of that process. Phase II funding was approved at the end of 2014. (The remaining Phase III will be the implementation of the outage management system and full implementation of Cogsdale - asset management and work orders).

Financial Activity
The U.C. once again improved its stable financial condition in FY2014. Operating revenues increased by $1.5 million over 2013, customer growth increased by 1.5% or 1,000 customers, and operating expenses decreased by $0.7 million.

The U.C.’s net position in 2014 increased by $5.9 million due to additional revenues and the control of operating expenses. Unrestricted Renewal and Replacement funds increased by $900,000 due to minimal growth. Long term debt (including that due within one year) decreased by approximately $6.7 million during the year with an aggressive repayment schedule.

The 2014 audit realized no deficiencies in internal control, material weaknesses or non-compliance issues. In March, 2014, issued a Triennial Report* for period ending 9/30/13, in compliance with Section 16N, of U.C. Resolution No. 28-78 (*analysis of utility systems with respect to operations and management, sufficiency of rates and charges, appropriateness of anticipated capital expenditures, and other salient items).

Continued the high level of accuracy and inventory controls at the U.C.’s warehouse. The annual warehouse inventory count produced only three discrepancies resulting in a book value adjustment of less than $50. (Last year’s annual count produced a $100 adjustment.)

Renewed healthcare insurance for employees with a premium increase of 0% for a second consecutive year due to favorable claims experience and initiation of a Workforce Wellness Program.
SUMMARY - Accomplishments (cont.):

Financial Activity (cont.)

In 2014, the U.C. remained the 7th largest employer in New Smyrna Beach at 154 employees with technical, licensed and certified high wage jobs. Provided over $3.4 million to the city’s general fund (6% of gross revenues defined) - amounts paid to the City for the years ended September 30, 2014 and 2013 totaled $3,470,055 and $3,258,726, respectively. Collected and remitted over $1.7 million to the City for the 9% public service tax on electric services - amounts collected and remitted to the City for the years ended September 30, 2014 and 2013 totaled $1,784,610 and $1,639,550, respectively. Remained as the billing agent for the City’s solid waste services, customer collections remitted monthly - amounts remitted to the City for the years ended September 30, 2014 and 2013 totaled $5,053,441 and $4,939,276, respectively.

Electric - Power Supply:

Renegotiated Duke Energy Power Supply Agreement to extend the term and reduce fixed and variable costs for future years.

Renegotiated Florida Power & Light Power Supply Agreement to extend the term, reduce fixed and variable costs for future years, and increase monthly capacity levels to allow for future load growth.

Continued aggressive pursuit of lowest cost energy supply on the short term wholesale market to maintain low overall fuel and purchased power costs and maintain highly competitive electric rates.

Due to increasing NERC/FERC regulatory burdens and expansion of exposure liabilities, explored options and negotiated contracts to reduce and limit the U.C.’s compliance risks.

Continuing research and evaluation of lowest possible cost and diversified power supply resources.

Electric Operations -

In compliance with the electric reliability and storm hardening requirements of the U.C.’s transmission and distribution system, the U.C. accomplished the replacement of three large transmission poles utilizing in-house capabilities - two 75 ft. wooden poles on Cassadaga to NSB transmission line with two 80 ft. fiberglass poles, and an 80 ft. wooden pole on Smyrna to Field Street transmission line with an 80 ft. fiberglass pole.

In-house crews also completed a section of reconductoring along Pioneer Trail this past year - additional sections are included in a multi-year U.C. CIP Project.

Assisted Bert Fish Hospital with replacement and upgrade to their electric switch gear. The U.C. provides two circuits to the hospital for emergency and backup service purposes.

Due to our service territory’s exposure to salt contamination and in support of service reliability on main feeders, developed specifications and new standards for the U.C.’s air and oil insulated switchgears.

During the first six months of 2014 a detailed analysis was performed involving two industry electric service reliability metrics. The U.C., in comparison with like-sized electric utilities, averaged 40% more reliability in the system average interruption duration index and in the average length of service interruption - more reliable and faster in restoration of electric service.

Completed design of Electric New Feeder North Beach - construction of this subaqueous electric line expected to be a major accomplishment for 2015. As mentioned in the U.C.’s CAFR as a major initiative, this system CIP Project will enhance reliability for the beachside - will allow transfer of North Beach loads from Field St. Substation to Airport Substation and free up additional capacity at Field Street.
SUMMARY - Accomplishments (cont.):

Water Resources - Well maintained utility systems and available capacity for growth:

FY2014 Unused Water Plant Capacity - 53% and Unused Wastewater Plant Capacity - 51%

(FY2013 Unused Water Plant Capacity – 54% and Unused Wastewater Plant Capacity – 53%)

Potable/Drinking Water: Enhanced potable water quality and reduced need for system flushing in U.C.'s water distribution system (300 miles) by switching form of disinfectant for four weeks to maintain pipe interiors (free chlorine treatment of biofilm).

Decommissioned redundant water mains, eliminated 16,701' of pipe and volume of approx. 54,500 gallons, which enable reduction of flushing losses and enhanced water quality.

Added four new potable water production wells in the Central Wellfield (fourth wellfield) to the existing 19 wells in three wellfields. The new wells are currently being equipped with pumping control equipment and the new 12" segment of raw water transmission main to interconnect with the 20" main on S.R. 44 will be installed this year.

Completed 5-year cycle requirement of inspecting and cleaning water storage reservoirs; issued report to County’s DOH. Fulfilled 3-year lead/copper drinking water study - all homes tested passed successfully.

Wastewater/Sewer: Devised and implemented an Improved Nutrient Removal Study at the WRF which in addition to meeting stricter environmental regulations at little to no cost, also enabled associated cost efficiencies. Through optimal dissolved oxygen control (a differing setpoint for the main processing tank, for each shift instead of one 24/7 setting as designed), Total Nitrogen and Total Phosphorous were reduced in the plant effluent by 36% and 40% respectively (compared data from previous 9-month period). This ingenuity will assist the U.C. to more consistently meet the stricter forthcoming regulatory standards for if and when emergency wet weather discharge is necessary. This improved nutrient removal also reduced chlorine demand by 18% - higher nitrogen levels require higher chlorine levels for effective treatment. Additionally, this change will also reduce disinfection byproducts, directly proportional to chlorine residuals. Similar in principle to a previous operational management decision of three settings for pressure at both productions plants, reduced electric costs by 20% when compared to one 24/7 setting.

In conjunction with the CIP Project for lift station upgrades and repairs, in connection with the design for the reconstruction of lift station #4, eliminated adjacent lift station #34 through redesign of piping in immediate area.

Reclaimed Water: The U.C. has continued 100% utilization of reuse water - 65 full months with zero discharge. Accomplished through ongoing operational enhancements, reuse management plan, and reclaimed water disposal options.

Internal Support Areas -

To expound regarding the U.C.'s website upgrade (listed in CAFR's Major Accomplishments and released 10-15-14), the I.T. Department is now supporting and “hosting” the U.C.'s website in-house. This website upgrade provides additional cost savings in website updates and design changes, enhanced security for platform and sensitive data, simplified navigation, as well as enabling new on-line web based forms for our customers.

An ultimate solution was provided for new U.C. Employee uniforms in connection with increased employers' responsibilities, which benefitted employees (enhanced safety, external laundering, and ceased tax payments) and also the U.C. (cost and efficiency savings, reduced from four to one vendor); in service date of 11-1-14.

Customer and Community Support –

In January 2014, the U.C. initiated outbound courtesy calls to customers, one week after receipt of a late notice and prior to disconnection for non-payment. This service has been well-received and saves our customers and the U.C. time and money by decreasing the number of disconnections, avoiding disconnection/reconnection fees and the payment of additional deposits, and the furnishing/handling of customer account documentation.

The U.C.'s new service application process (commenced in August 2013) has developed into a very successful process during 2014 for ensuring asset and/or investment protections for owners, property managers, realtors, etc., as well as support in conjunction with the “Red Flag” Identity Theft and Prevention Program (sixth year in place at U.C.) - both are effective tools in identity theft/fraud prevention and mitigation.

Education and required notifications regarding the U.C.'s utility services has been continually supported through our bill inserts, radio ads, the U.C.'s website, monthly reports and meetings, and the U.C. employees.
SUMMARY - Accomplishments (cont.):

Customer and Community Support (cont.) –

Held two successful, well attended community utility educational events during 2014:

1) 3rd Annual Water-Wise Garden Fair on 3-1-14, educational event supporting water conservation and environmental protection, meeting C.U.P. permit conditions, and savings in time and money for our customers.

2) U.C.’s Open House for Public Power Day on 10-11-14, held in conjunction with the NSB Canal Street Cruise (monthly car show), education event supporting and explaining the advantages of public power and supporting electric conservation - the U.C.’s free energy audits, rebates, conservation/efficiency ideas.

As of 12-31-14, approx. 1,920 customers requested and/or received an energy audit since program inception.

Continuing offering of Residential and non-demand commercial rebates for 16 SEER or higher AC, duct leak repair, solar attic fan, cool roof, added insulation and window solar screens. Non-demand commercial rebate program includes added insulation, solar screens and LED Exit signs.

The U.C.’s “We Care Fund” received $2,120.21 in donations during FY2014 from U.C. customers, employees, and internal staff recycling of ink cartridges and cell phones. (Fund assistance is administered through Volusia County Human Services.) The “Employee Volunteer Corp.” selected and “adopted” 75 seniors from the Council on Aging and from the Ocean View Nursing Home by providing Christmas gifts.

The U.C. continued its participation in our community’s “Light Up Canal” by erecting the Christmas star on top of the Central Office building at 200 Canal (educational and in support of energy efficiency - decorated with LED lighting).

Municipal/County Entities -

Provided various educational materials/responses, participated, or supported by:

Per request, provided feasibility, estimations of cost, associated variable and requirements, time and cost impacts for homeowners and businesses related to potential undergrounding of electric distribution services along U.S. 1 (email dated 3-4-14).

Simultaneous Electric Safety Training - coordinated safety approach of training all first responders regarding electrical safety around power lines (February and March, 2014).

Informational slides regarding topic of Indian River Lagoon from U.C. to City of Edgewater and City of New Smyrna Beach for Tri-City Joint Meeting held on 3-18-14. Provided status of U.C.’s WRF, existing and planned capacity, reclaimed water services - storage and discharge and planning data relating to potential priority areas for sanitary sewer service.

In conjunction with National Drinking Water Week (May 4-10, 2014), the U.C. participated in City of NSB’s 2014 Citizen’s Academy with a bus tour on 5-18-14 of the U.C.’s facilities which provided an understanding of our utility operations, services, and where their rate dollars and capital funding is applied.

Also presented the U.C.’s efforts and results in wastewater management during the Volusia County Workshop held 6-26-14 regarding surface water quality. (At end of June 2014, U.C. was only municipal utility in county achieving ZERO River Discharges for 60 continuous months - 5 Years.)

The City of New Smyrna Beach utilized the U.C.’s billing for a public service notification, to educate residents/voters on their tax-exemption referendum question in November, 2014.

The City of New Smyrna Beach’s first Multi-Use Trail (Phase I) opened for use by the public on 10-28-14 which is located within portions of U.C. owned property - the U.C.’s transmission line corridor. This cooperative effort was enable through an easement deed depicting the associated responsibilities and liabilities associated with this City use, developed for the benefit and protection of the U.C.’s ratepayers.

Participation in Central Beach Stormwater Project, Phase III, through the CBPA, for stormwater utility conflicts and U.C. determined required water and sewer main improvements. Associated cost savings realized for the U.C. through joint bidding and construction coordination efficiencies. U.C. staff is also providing support during neighborhood public meetings. Approximate $3 million multi-year U.C. CIP project.
MAJOR ACCOMPLISHMENTS
(excerpted from U.C.'s FY2014 CAFR)

During FY2014, the Utilities Commission accomplished the following relative to strategic and budgetary concerns:

- Moved forward with service pack updates to Cogsdale and Great Plains to stay current. Continue to work on enhancements and additional module implementations to make our customer service system more efficient and effective, including implementation of an IVR (integrated voice response) system, which allows customers to make account payments over the phone. The UC’s website was upgraded to provide enhanced security, simplified navigation, and the availability of web-based forms for customer use.
- Reached unprecedented electric rate cost thresholds – many first/second lowest in the State. Water Resources rates also remain highly competitive, laying foundation for continuing and sustaining economic development within the UC’s service territory.
- Continued 100% utilization of reuse water – with zero river discharge (62 consecutive months).
- Enhanced potable water quality within the UC’s service area with entire distribution system biofilm maintenance (switched disinfectants for one month), performed in-house upgrade of the North Loop water main, and replaced 25-year old water treatment ammonia system (including tank, feed units, and piping).
- Ensured continued operation during emergency conditions and/or extreme weather events by installing stand-by generator at Electric Operations Center and contracted for emergency back-up electric crews.
- Maintained availability of peaking capacity throughout period of external transmission constraints.
- Negotiated replacement and renewal of power supply contracts and continued economical non-firm energy purchases.
- Expanded UC’s asset management for real properties and commenced an essential asset management enhancement through GIS implementation (multi-year project).
- Received Safety Commendations for leadership, promotion and service and performance rendered through an outstanding Safety Program from the Florida Water & Pollution Control Operators Association. Continued focus on safety with increasing training, improving workers compensation experience modification factor, and uniform replacements/enhancements (safety and cost effectiveness).

Compliance Matters:
- As per the Fair & Accurate Credit Transactions Act of 2003 ("Act") a Red Flag program was originally required to be in place by November, 2008, while the final implementation date was extended multiple times, the UC implemented well over one (1) year prior to the final required implementation date. Since its inception the UC has experienced over 486 “Red Flags” that have assisted in possible fraud detection. The Committee meets semi-annually and reports to the Commission annually. The UC’s associated new service application process has proven successful in ensuring asset or investment protections for our owners/customers.
- Met all regulatory operation requirements and associated reporting for the UC’s utility services.
MAJOR ACCOMPLISHMENTS (CONT.)
(excerpted from U.C.'s FY2014 CAFR)

Electric System Reliability Improvements

- In accordance with Florida Public Service Commission regulation, completed the 8th year of hurricane preparedness and the 6th year of storm hardening of the UC’s transmission and distribution system with over 90% of the system completed.
- Completed fuse coordination for circuit lines #12, 15, 16 and 17 to improve reliability and reduce outages.
- Solid blade switch maintenance continues throughout the system for operations and emergencies.

Water and Wastewater Systems Compliance

- Completed 5-year cycle requirement of inspecting and cleaning of water storage reservoirs and issuing report to County’s Department of Health
- Fulfilled 3-year lead/copper drinking water study, with all homes tested passing successfully.
- Obtained FDEP 5-year Wastewater Reclamation Facility permit renewal in May 2014. UC requested permit revision from major to minor discharger.
- UC’s lab recertified under new State privatized certification inspection process. Updated Lab Quality Assurance Manual and SOPs for certified analyses, as well as all lab procedures and operations.
UTILITIES COMMISSION,
CITY OF NEW SMYRNA BEACH
STRATEGIC INITIATIVES 2014/2015

VISION

Improving the quality of life for our customers by being the best utility service provider.

GOING-FORWARD VALUES

We measure our success through our customers.
We represent integrity.
We are responsible, not just accountable.
We understand that good values promote positive consequences.
We promote learning, innovation, and effectiveness.
We sell solutions.
We support each other by listening, understanding and developing ourselves and our organization to achieve our goals.
We encourage continuous improvement and consensus development of processes, standards, and work practices.
We increase the worth of everything we do.

STRATEGIES

To effectively achieve the planned strategies using traditional and new methodologies.
To develop operating and values-based platforms with complementary goals and systems.
To develop an organization which emphasizes learning, value, respect, and efficiency.
To optimize the return on financial, physical, and human resources.

MISSION

To benefit our community by providing timely, cost-effective and high quality products and services to our customers with sound economy and good management.

STRENGTHS

Defined community role.
Vital multi-faceted service provider.
Responsive to community needs.
High caliber staff with potential.
Responsive, dependable service.
High aspirations for integrity and excellence.

OBJECTIVES

To gain and retain satisfied customers
To optimize competitive performance
To achieve our established goals and measures
To add value to our community
To enhance the quality of life of our employees
To be grounded in our strategic planning
To promote awareness of our value-added services

KEY PERFORMANCE INDICATORS (KPIs)

A Key Performance Indicator, or KPI, is a measure of performance within an organization, which is to evaluate the success of the business in terms of its primary objectives. KPIs vary widely, depending on the type of business and its goals. The purpose of KPIs is to evaluate an organization and measure its progress toward its long-term goals. KPIs must be measurable so leadership can use KPI factors for assessment.

PREMISE

Our initiatives to achieve our vision and mission will develop our character and the effective means to be successful.
**OBJECTIVES**

**Customer Service**

1. **TO GAIN AND RETAIN SATISFIED CUSTOMERS**

   Good impartial service is the primary objective of the UTILITIES COMMISSION. Our objective is to meet or exceed the expectations of our customers by providing “value-added” services.

**Strategies**

1. Learn from the customer what is desired and important and develop customer trend and satisfaction references.
2. Develop and enhance customer satisfaction with quick and efficient response times to needed repairs.
3. Develop and improve communication to customers for education, information and ownership.
4. Increase customer interaction and input opportunities regarding operation.
5. Retain and cultivate the “customer relationship” as the primary focus of the UC.
6. Provide timely, effective and accurate service with customer focus in most cost effective manners.

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<tr>
<th>Tactic</th>
<th>Goal</th>
<th>Responsibility</th>
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<tbody>
<tr>
<td>Devise or revise evaluation and survey methods to gain information</td>
<td>To have at least 3 meaningful tools to measure satisfaction by 1st Qtr,</td>
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<td>from customers to learn areas of improvement and response to needs.</td>
<td>2014 and to implement with results monthly.</td>
<td>CFO and Director of IT</td>
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<td>Acquire, install and implement GIS system alongside an Outage</td>
<td>GIS installed and functioning by June 30, 2015.</td>
<td>CFO, Director of Electric Operations, Director of System Ops. &amp; Generation</td>
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<tr>
<td>Management System to better communicate with customers and respond</td>
<td></td>
<td>Director of IT, and other</td>
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<td>to outages and repairs.</td>
<td></td>
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<tr>
<td>Publish results, activities, financial performance measures and</td>
<td>Monthly.</td>
<td>CFO as the lead with support from all Directors</td>
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<tr>
<td>forecasts.</td>
<td></td>
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<tr>
<td>Implement key accounts program and contact top 10 customers of each</td>
<td>Semi-annually.</td>
<td>CFO as the lead with support from all Directors</td>
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<td>utility.</td>
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<tr>
<td>Implement computer/systems based technology to enhance</td>
<td>Review and analysis semi-annually 90% or more customer satisfaction.</td>
<td>Director of IT</td>
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<td>communication.</td>
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<td>CFO and Directors</td>
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<td>Survey customer satisfaction and work performance.</td>
<td>Bi-annual comparative studies of like companies with development of</td>
<td>CFO, Director of Electric Operations,</td>
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<td>realistic, but challenging expectations.</td>
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February 18, 2014
Page 2 of 11
Assess utilities reliability goals and operation/restoration performance. Monthly CFO and Directors

Implement work management system. Establish work performance levels, organizational structure, monthly performance reporting Director of IT, CFO, with support

Performance Measures

1. Ascertain field and staff performance survey method for on-time, of-use, and of-value customer satisfaction.
2. Total O&M direct and indirect expenditures to range from a $850/utility meter target to a goal of $800/meter.
3. 90% on time response to needed service.
4. Total O&M expenses to rate in upper 90% nationally.
5. Complete all (100%) service/product and work orders within lead times or need date.
6. Attain established reliability and restoration goals for each utility.

Stewardship

2. TO OPTIMIZE COMPETITIVE PERFORMANCE

To make wise decisions for operations from a fiscal perspective regarding the quality of service and the cost to the customer.

Strategies

1. Continue and improve Director communication and coordination of operations to develop decisions relative to each area of concern.
2. Develop rating structure for all services which is effective and favorable.
3. Develop and refine financial performance and assessment measures relative to the industry and accounting for local factors.
4. Continue monitoring industry activities and comparing them to Operational Department’s activities to assure the Utilities Commission is providing the best cost effective electric service to our ratepayers.
5. When required, implement new cost effective practices and/or improvements to assure the Operational Departments compare favorably to other utility providers in the industry.
6. Research and review and implement where appropriate, markets for renewable regulations and climate related efficiency and appropriate conservation initiatives.
7. Educate employees about their financial role and contribution to overall success measures of the business unit.
8. Move toward best ratio for power generated by the UC vs. purchased power.
### Implementation Plan

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<tr>
<th>Tactic</th>
<th>Goal</th>
<th>Responsibility</th>
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<tr>
<td>Hold regular meetings with Directors with focused agenda for planning and progress evaluations</td>
<td>Directors’ Meetings twice per month</td>
<td>CEO/GM and Directors</td>
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<tr>
<td>Update cost of service studies for electric, water, wastewater</td>
<td>Annually</td>
<td>Director of Electric Operations, Director of Water Resources, CFO, with support</td>
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<tr>
<td>Develop an integrated performance management system.</td>
<td>By June 1, 2014</td>
<td>Director of Human Resources</td>
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<tr>
<td>Establish financial measures and reports with performance indicators and comparisons</td>
<td>Annually</td>
<td>CFO and Directors</td>
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<tr>
<td>Publish financial performance and forecasts monthly which meet or exceed goals set by CEO/GM</td>
<td>Monthly publication of key measures</td>
<td>CFO and Directors</td>
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<tr>
<td>Assess evolving energy markets for renewable, efficiency and conservation requirements</td>
<td>Quarterly Reports</td>
<td>Director of System Ops. &amp; Generation, with support</td>
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<td>Ratio corrective versus preventive maintenance costs per connection.</td>
<td>Quarterly Reports</td>
<td>Directors</td>
</tr>
<tr>
<td>Own power generation as percentage of internal power generation and purchased power.</td>
<td>Review quarterly and compare with industry standard</td>
<td>Director of System Ops. &amp; Generation With support</td>
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### Performance Measures

1. Implement strategic initiatives exceeding a 90% success level.
2. 90%+ successful completion rate for apprentice training.
3. 40%+ successful completion rate for basic apprentice training on entry positions.
Productivity

3. TO ACHIEVE OUR ESTABLISHED GOALS AND MEASURES

To provide all of the resources our employees need to optimize productivity.

Strategies
1. Develop on-line training for company-wide and department specific topics.
2. Cross-train employees to ensure continuity of operations and compliance.
3. Establish work performance levels and regular performance reporting of results.
4. Establish and revise a 5-10 year master plan.
5. Periodically evaluate and provide training for emergency/restoration plan.
7. Implement GIS system and Outage Management System to better communicate with customers regarding outages and repairs.
8. Provide monthly employee briefings to improve employee awareness of corporate strategies to enhance/promote customer service.
9. Continue to implement reliability practices that support UC Reliability goals measured by industry indices of SAIDI, CAIDI, and MAIFI/le goals/benchmarks.
10. Continue holding Department Monthly Meetings to enhance/promote employee’s productivity awareness.
11. Continue evaluating industry practices and provide the most cost effective tools/equipment to assure employees can provide safe, efficient, reliable service.
12. Continue monitoring each Department’s employee’s safety practices and evaluating new industry safety practices to maintain an accident free workplace and corporate record.
13. Implement new safety practices/procedures to assure safe, reliable, cost effective service.

Implementation Plan

<table>
<thead>
<tr>
<th>Tactic</th>
<th>Goal</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide additional training for emergency restoration plans.</td>
<td>Reinforce Plans by 2nd Qtr, 2014 and training for relevant staff by 3rd Qtr.</td>
<td>Director of Human Resources Operational Directors</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Publish Electric, Water, Wastewater reliability and restoration performance.</th>
<th>Monthly statistics (GIS program will assist)</th>
<th>Directors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Evaluate existing and recommend new rate pricing concepts</td>
<td>Ongoing review with bi-annual meeting and statement of opinion</td>
<td>CEO/GM and Directors</td>
</tr>
<tr>
<td>Develop data back-up and recovery plan for catastrophic data events</td>
<td>Annual review (ongoing – GM Rpt)</td>
<td>Director of IT</td>
</tr>
<tr>
<td>Review and revise where necessary maintenance plan for existing property and potential uses</td>
<td>Asset Management Plan by March 1, 2014</td>
<td>CEO/GM and Directors</td>
</tr>
</tbody>
</table>

February 18, 2014
Page 5 of 11
### Performance Measures

**SAIDI = System Average Interruption Duration Index**  
= Sum of All customer Minutes Interrupted (CMI)  
Total number of Customers Served (C) Annualized

<table>
<thead>
<tr>
<th></th>
<th>FY2013</th>
<th>FY2012</th>
<th>FY2011</th>
<th>FY2010</th>
<th>FY2009</th>
<th>AVERAGE</th>
<th>KPI</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>150.75</td>
<td>148.76</td>
<td>90.84</td>
<td>153.91</td>
<td>157.89</td>
<td>140.43</td>
<td>140</td>
</tr>
</tbody>
</table>

**CAIDI = Customer Average Interruption Duration Index**  
= Sum of All customer Minutes Interrupted (CMI)  
Total number of Customers Interruptions (CI)

|       | 56.27  | 50.67  | 46.89  | 53.08  | 66.20  | 54.62   | 50  |

**SAIFI = System Average Interruption Frequency Index**  
= Total Number of Customer Interruptions (CI)  
Total number of Customers Served (C) Annualized

|       | 2.68   | 2.94   | 1.94   | 2.90   | 2.39   | 2.57    | 2.5 |

**MAIFle = Momentary Average Interruption Event**  
= Sum of All customer Momentary Interruption Events (CME)  
Total number of Customers Served (C) Annualized

|       | 7.56   | 8.81   | 9.91   | 7.34   | 9.76   | 8.68    | 8   |

**L-Bar = Average Length of a Service Interruption**  
= Minutes of Interruption  
Total Number of Outages

|       | 75.89  | 74.23  | 74.61  | 72.51  | 93.82  | 78.21   | 75  |

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1. 100% compliance with potable water standards.
2. Unplanned water service interruption duration less than 300 minutes per event and fewer than 100 Events per year.
3. Fewer than 10 sewer blockages per 1,000 miles of forced and gravity mains

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### Community Values

**4. TO ADD VALUE TO OUR COMMUNITY**

To achieve excellence in operations to enhance intrinsic and relational value to the community.

### Strategies

1. Develop collaborations with City of New Smyrna Beach and New Smyrna based contractors. (Also County & State)
2. Develop annual safety plan and provide accident prevention performance standards.
4. Educate community emergency organizations by contacting police, fire, and response organizations, community groups and multiple living facilities.

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February 18, 2014  
Page 6 of 11
Implementation Plan

<table>
<thead>
<tr>
<th>Tactic</th>
<th>Goals</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Develop collaborations with City of New Smyrna Beach and New Smyrna</td>
<td>Implement New Programs and Educate and Support</td>
<td>CEO/GM and Directors</td>
</tr>
<tr>
<td>Beach based Contractors.</td>
<td>Existing</td>
<td></td>
</tr>
<tr>
<td>Publish electric, water and wastewater reliability and restoration</td>
<td>Monthly</td>
<td>Directors</td>
</tr>
<tr>
<td>measures.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Evaluate rate/pricing structure for applicability and cost efficiency.</td>
<td>Semi-annually</td>
<td>CFO and CEO</td>
</tr>
<tr>
<td>Acquire, install and implement GIS system alongside an Outage</td>
<td>GIS installed and functioning by June 30, 2015</td>
<td>CFO, Director of Electric Operations,</td>
</tr>
<tr>
<td>Management System to better communicate with customers and respond</td>
<td></td>
<td>Director of IT, and others</td>
</tr>
<tr>
<td>to outages and repairs.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Refine and Update UC Website</td>
<td>Ongoing PIO Content Mgr. Currently</td>
<td>Director of IT</td>
</tr>
</tbody>
</table>

Performance Measures
(Key Performance Measure in bold)

1. Answer customer correspondence within five working days with a target of three working days of receipt.
2. Achieve 90% affirmative response to accountability survey.
3. Achieve one supportive customer response/month.
4. Achieve two awards per year.

Employee Retention

5. TO ENHANCE THE QUALITY OF LIFE OF OUR EMPLOYEES

To maintain a productive and positive employee environment which improves retention, morale, and ultimately, customer satisfaction.

Strategies

1. Periodically evaluate organizational structure to maximize productivity and employee satisfaction.
2. Support an effective work management culture.
3. Develop an organization focused on learning, value, and effective response capability.

February 18, 2014
Page 7 of 11
4. Develop position evaluation system, and implement performance review process and succession planning systems.
5. Publish recognition events exclusively from employee-advancement perspectives.
6. Provide recognition for proactive approaches and adopted solutions by employees.
7. Assess talents, competencies, and skills to develop and place employees into relevant positions.
8. Implement new strategies and/or practices that promote/advance employees ownership of practices that add value to our services and promote positive corporate culture.
9. Continue recognizing all Department accomplishments to maintain/improve employee’s morale.
10. Continue to all promote Departmental employee safety awareness and promote corporate safety culture.
11. Continue holding Departmental Monthly Meetings to enhance/promote employees awareness of their impact on the UC’s corporate image.
12. Use team based incentives to promote employee self-worth.
13. Use ad-hoc rewards for employees when recognition is initiated by the customer.
14. Tie broad-based salary grades with variable incentives to promote employee performance.
15. Use appropriate rewards of the applicable culture profile.
16. Identify and maintain “safety” as a priority with the UC employee as a key component to success.

**Implementation Plan**

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<tr>
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<tbody>
<tr>
<td>Develop flexible recruiting and succession plan compatible with growth and demographics</td>
<td>Fill vacant positions within 30 days and maintain 95% employment rate.</td>
<td>Human Resources</td>
</tr>
<tr>
<td>Implement and revise where necessary position evaluation system and improve performance review and succession planning systems.</td>
<td>Increase organizational performance and timely evaluations to 98%</td>
<td>Human Resources</td>
</tr>
<tr>
<td>Hold Departmental Monthly Meetings to enhance/promote Department’s employee’s awareness of UC Corporate Culture.</td>
<td>Monthly Meetings held by each Department with report to CEO/GM</td>
<td>Directors</td>
</tr>
<tr>
<td>Conclude Local 2088 Principal and Supplemental Negotiations Successfully</td>
<td>Prepare for negotiations by January 15 and successfully conclude by March 15 annually.</td>
<td>Director of Human Resources as the lead with support from Negotiating Team</td>
</tr>
<tr>
<td>Develop and implement performance measures and training with benchmark evaluations and departmental recognition.</td>
<td>Evaluations monthly by each department and summary report to HR Subsequent Briefing to CEO/GM</td>
<td>Director of Human Resources with Directors</td>
</tr>
<tr>
<td>Review Annual Safety Plan (Various Existing Plans - Required)</td>
<td>Implement changes as needed to update Safety Plan.</td>
<td>Director of Human Resources with Director (and Risk Manager contributions</td>
</tr>
</tbody>
</table>

February 18, 2014
Page 8 of 11
Performance Measures

1. Maintain a 95%+ "meets expectation" review rating for UC employees. Goal 98%. Completion of 100% of annual employee performance evaluations.
2. Reduce number of injury/illness accidents per year by 10%. Target <12 accidents per year. Goal <1. Injury Rate equals the # of cases x 200 divided by the total hours worked.
3. Prevent vehicle accidents with less than 3 UC employee-caused accidents per year. Goal: 0%. (frequency rate = # of preventable vehicle conflicts x 200,000 divided by total miles driven)
4. Reduce discharge of employees from workplace due to DOT or DFW alcohol/drug testing violations to zero. Goal: <2 discharges per year.
5. 100% attendance rate for mandated UC trainings.
6. 90% of new hire retention after -180 day probationary period. Goal 95%.

Growth Management

6. TO BE GROUNDED IN OUR STRATEGIC PLANNING

To create a dynamic organization that is prepared to meet the challenges of the utility service provider industry. Planning is the creative work undertaken on a systematic basis in order to increase the stock of knowledge and the use of this stock of knowledge to devise new applications.

Strategies

1. Research and analyze alternatives and technological changes for electrical and water needs.
2. Develop and analyze strategic positioning for increased market competition and growth in service.
3. Continue monitoring all Departments practices and comparing to industry practices to assure we are providing the best most cost effective electric service possible.
4. When practical, implement new industry practices that will allow Departments to support corporate growth.
5. Work with other UC Departments to evaluate, recommend and implement new technologies that will move the Utilities Commission forward to enhance the Utilities Commission’s ability to improve in order to excel providing customer service.
6. Establish an electrical and water 5-10 year transition plan based upon a "Best Total Price" and supply mix platform.
7. Promote decreased fossil energy demand through the use of technology and proprietary approaches to consumption, energy management, and renewables. (also conservation and demand management)
8. Promote water conservation through the use of technology and alternative approaches relating to consumption, energy management in distribution and plants.

Implementation Plan

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<tr>
<td>Time-to-market of new products/services. The time it takes from the time a product is envisioned or defined until it is a service to our customers.</td>
<td>To implement new products/services within stated time frame 90% of the total “roll-outs”</td>
<td>Directors, CFO</td>
</tr>
<tr>
<td>Develop a 5, 10 and 20 year planning for business structure</td>
<td>Initial Plan by September, 2014 and revised annually</td>
<td>CEO/GM</td>
</tr>
</tbody>
</table>
Performance Measures

1. 85% of new product/service developments launched on budget.
2. 5% of dedicated resources for Planning.
3. 10% of R&D projects involving customers.

Objective-Public Relations

7. TO PROMOTE AWARENESS OF OUR VALUE-ADDED SERVICES

To effectively communicate with and educate the public and our customers of the value and benefits of the UC and to gain understanding and involvement in the UC’s role and contribution to our community.

Strategies

1. Continue working with Finance Department’s Purchasing Group to assure the Utilities Commission is always implementing most cost effective alternatives.
2. Continue evaluating industry standards and trends to assure that the Departments are developing valuable partnerships that promote solid financial success.
3. Cultivate and retain customer relationships as the primary focus of the Utilities Commission.
4. Interact with and educate local organizations regarding the role of the Utilities Commission in the Community.
5. Develop and maintain communication processes with emergency responders and local and state to mitigate effects of catastrophic events.
6. Provide new and pertinent information to customers in the form of monthly brochures, mailings and website announcements.

Implementation Plan

<table>
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<tr>
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<tbody>
<tr>
<td>Modify and improve these initiatives as a dynamic tool.</td>
<td>Modify plan as appropriate.</td>
<td>CEO/GM</td>
</tr>
<tr>
<td>Communication with ratepayers through publications, notices, and direct contact.</td>
<td>Direct contact with one “major” ratepayer monthly. Continued review and revision where necessary of web site and promotional materials.</td>
<td>Directors</td>
</tr>
</tbody>
</table>
Performance Measures

1. All UC personnel to have at least one customer service related training each year.
2. Electric, water and wastewater operations facilities to have one open house for customers per year.
3. Make a presentation on utility related topic to an appropriate local community group at least bi-annually.
4. Hold training exercises with emergency first responders annually.
5. Have UC booth/table at all significant community events.
6. Monitor website and Interactive Voice Response (IVR) for customer visits – provide “reminders” to insure increase in site visits by customers.