

AGENDA ITEM 3-a

MINUTES OF REGULAR MEETING OF THE UTILITIES COMMISSION, CITY OF
NEW SMYRNA BEACH, FLORIDA, HELD MONDAY, APRIL 27, 2020, AT 3:00 P.M.,
AT 200 CANAL STREET, NEW SMYRNA BEACH, FLORIDA



4-27-20 Webex Meeting Instructions:

After assisting and confirming connectivity to the Webex meeting, Mr. Bunch indicated he would be turning the meeting over initially to Mrs. Pitcher, the assigned Meeting Facilitator, to walk over the instructions and then we would get the flow of the meeting going.

Mrs. Pitcher stated good afternoon, this open meeting of the Utilities Commission of New Smyrna Beach is being conducted remotely consistent with the Governor's Executive Order 20-91, Essential Services and Activities during the COVID-19 Emergency. To mitigate transmission of the virus and reduce risk of COVID-19 illness we have been advised and directed to suspend public gatherings and as such, the Governor's Order suspends the requirement of the Sunshine Law to have all meetings in a publicly accessible *physical* location. Further all members of public bodies are allowed and encouraged to participate remotely. The Order, which you can find posted with agenda materials for this meeting, allows public bodies to meet entirely remotely so long as reasonable public access is afforded so that the public can follow along with the deliberations of the meeting. Although this meeting is virtual, it will accommodate public participation as usual. Only members of the public who wish to engage in the public participation segment of this meeting will be required to identify themselves. For this meeting, the Utilities Commission is convening by video conference via Webex and streaming the meeting live on Facebook. The meeting instructions are posted on the U.C.'s website identifying how the public may join and participate. Please note that recording of this meeting is in process. The agenda is posted on our website and will be presented through video during this meeting.

Mrs. Pitcher continued by stating before we proceed with the posted agenda permit me to cover some ground rules for effective and clear conduct of our business and to ensure accurate meeting minutes. Commissioners - the Chairman will introduce each section and each speaker on the agenda. After they conclude their remarks the Chairman will invite each Commissioner by name to provide any comments, questions, or motions. Please hold until your name is called. Further, please remember to mute your phone or computer when you are not speaking. And please remember to speak clearly and in a way that generates accurate minutes. For any response, please wait until the Chairman yields the floor to you and state your name before speaking. If Commissioners wish to engage in discussion with other members, please do so through the Chairman, making sure to identify yourself. UCNSB staff - The Chairman or CEO will refer to you specifically if comment is required. Please keep your phone or computer muted when you are not speaking. Please speak clearly and remember to identify yourself by name and title before speaking. Members of the Public - Public participation will be moderated by the Meeting Facilitator. The Facilitator will afford public comment as follows: The Facilitator will first ask members of the public who are on the line and wish to speak to identify their names and addresses only. Please do not proceed with your comments at that time. After obtaining all names, the Facilitator will proceed by introducing each participating member one at a time. You may proceed with your comments when your name is called. Once your time is complete, please mute your line. After

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participation of the public on the line, comments previously received will then be read into the record by the Facilitator. Mrs. Pitcher then turned the meeting over to Mrs. Simmons.

Mrs. Simmons introduced herself and title of Recording Secretary, requested as a preliminary matter to confirm all members and persons anticipated on the agenda are present and can hear. Commission, when I call your name please respond in the affirmative. After some connectivity difficulties were resolved, all of the Commissioners were confirmed in attendance. Mrs. Simmons also confirmed all but one Director in attendance as shown below:

Commissioner Lee B. Griffith
Commissioner Jack Holcomb
Chairman William E. Biedenbach
Commissioner Lillian Conrad
Commissioner James Davenport

Others in attendance were as follows: J. Bunch, General Manager/CEO; E. Chavez, Director, Finance/ CFO; J. Couillard, Director, Engineering; M. Mines, Director, Electric Ops.; B. Pitcher, Director, Central Services; T. Beyrle, Director, System Ops.; B. Keehn, Director, Information Technology; E. Fisher, Communications Coordinator /RMLO; D. Simmons, Exec. Services Mgr./ Recording Secretary; General Counsel Thomas Cloud Esquire - Gray | Robinson Attorneys at Law; and a few unidentified WEBEX/call-in participants.

Mrs. Pitcher stated this concludes our introductions, if you've not already done so please mute your line. Mr. Chairman I concede the floor, please unmute your line and proceed with the posted agenda.

Chairman Biedenbach stated all right, we're going to start with the Pledge of Allegiance and the Invocation. Mr. Bunch is going to lead us in both of those.

At the conclusion of the pledge and invocation, Chairman Biedenbach requested a second roll call to be taken to confirm the attendance of the Commissioners - all Commissioners were confirmed in attendance.

(1) Agenda Changes, Additions and Deletions:

Chairman Biedenbach asked Mr. Bunch if he had any agenda changes additions or deletions to the agenda.

Mr. Bunch indicated he had none.

Prior to the meeting an item was added to the agenda - Add-On Item 7-a. This item was a Resolution added by General Counsel and the Director of Finance to extend the U.C.'s emergency declarations approved last month and expiring today, and to support the proposed modification/reduction of the U.C.'s FPPCAC.

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Chairman Biedenbach then confirmed and proceeded to turn the meeting back over to Mrs. Pitcher, the Meeting Facilitator, to handle the virtual public participation portion.

Mrs. Pitcher stated we will now proceed with the public participation segment of our meeting. In just a moment I will ask anyone on the line who wishes to speak to identify themselves. Do not proceed with your comments or questions at that time. Only name and address should be stated. If you are on the line and wish to speak, you may now unmute your phone by pressing star six. Or on your computer, click the microphone icon at the bottom of the screen. Please state your name and address only. She then stated it sounds like we have none. Hearing that, this concludes public participation. She also added we had no comments come in prior to the meeting. Chairman?

Chairman Biedenbach thanked Mrs. Pitcher and confirmed the closing of public participation.

(3) Approval of Consent Items:

Chairman Biedenbach then stated okay, we now have the approval of the consent items, items a. through i., and asked if any of the Commissioners wanted anything pulled. He confirmed with each Commissioner and then stated hearing none, I need a motion to approve and a second please.

Commissioner Davenport made a motion to approve all the consent items; specifically a motion to approve item 3-a. Minutes of Public Hearing and Regular U.C. Meeting Held 3-23-20 (*held via Webex Mtg. No. 795210767*) as submitted; item 3-b. Ratification of Amended Six-Month Extension Amendment - Annual Tree Trimming Services (The Davey Tree Expert Company), ratify amended amendment in the amount of \$320,647.00 for the period of 3-1-20 to 6-30-20 as detailed in the agenda item summary and as attached to the item; item 3-c. Barracuda Bridge Utility Improvements Project and including Task No. 4 to Tetra Tech, Inc.), approve for an overall project amount of \$2,432,685 (water - \$1,066,000; wastewater - \$1,076,685; and electric - \$290,000), and including the ratification of Task No. 4 in the amount of \$68,042 to Tetra Tech, Inc. and authorization for the GM-CEO or his designee to execute all documents associated with this project; item 3-d. Portable Trailer Mounted Generators for Remote Wellfields (Two) and Lift Stations - (Recommend Award under FL Sheriff Assoc. Bid - FSA19VEH17.0, spec. #107 to Mid Florida Diesel / Bartow, FL), for the Western and Samsula Wellfields and for Lift Stations, with award to Mid Florida Diesel in the amount of \$179,000, with labor and materials supporting on-site connections; for a total project approval of \$190,000; item 3-e. Ratification - ITB #08-20 - Sugar Mill Electric Upgrade Directional Bore (Recommend Award to B&B Underground & Drilling, Inc.), ratification of the awarded contract to B&B Underground & Drilling, Inc. in the amount of \$547,694.00. The previous project authorization was referenced in the agenda item summary and restated the GM-CEO's execution of all associated project documentation was ongoing; item 3-f. Lift Station No. 5 Reconstruction and Rehabilitation in System 5 Project with Task Authorization No. 5 to Tetra Tech, in the amount of \$118,734.00 and a total project budget of \$1,890,000 which includes the Gravity Sanitary Sewer Rehabilitation in System 5, and authorization for the GM-CEO or his designee to execute all of the associated project documents; item 3-g. Lift Station No. 12 Reconstruction and Rehabilitation in System 12 Project with Task Authorization No. 6 to Tetra Tech in the amount of \$95,557.00 and a total

(3) Approval of Consent Items (cont.):

project budget of \$1,860,000 which includes the Gravity Sanitary Sewer Rehabilitation in System 12, and authorization for the GM-CEO or his designee to execute all of the associated project documents; item 3-h. Field St. Capacity Bank Project and ITB #07-20 - Field Street Capacitor Bank Addition (Recommend Award to Sayers Construction, LLC), approve a total Project budget for FY20 and FY21 in the amount of \$917,055.00 and approve award of ITB#07-20 - Field Street Capacitor Bank Addition to the lowest evaluated bidder - Sayers Construction, LLC in the amount of \$773,624.98, and authorization for the GM-CEO or his designee to execute all documents associated with this project; and item 3-i. Glencoe Wells 2 and 3 Upgrade Project and including Task Authorization No. 10 - CPH, Inc., approval of the overall project in the total amount of \$273,000.00 and including Task Authorization No. 10 to CPH, Inc. in the amount of \$89,545, and authorization for the GM-CEO or his designee to execute all documents associated with this project.

Commissioner Conrad seconded the motion.

Chairman Biedenbach stated regularly moved and seconded, is there any discussion? Hearing none then requested for a roll call vote to be taken on the motion.

Commissioner Davenport's motion then passed unanimously on a roll call vote.

(4) General Manager's Report:(4-a) Financial Status - March 2020:

And

(4-b) Balanced Scorecard and Enterprise Metrics - March 2020:

Chairman Biedenbach stated very good, financial status, Mr. Chavez if you would come forward please.

Mr. Chavez stated okay, so for the month of March, positive change in net assets of about \$300,000 driven by an increase in capital contributions and we had the AT&T pole attachment settlement that came through. On a year to date basis we had a positive change in net assets of \$1.4M driven by lower operating expenses and the one-time AT&T pole attachment offset by slightly lower revenues. March 2020 capital expenditures were approximately \$1.7M which is quite a bit higher than the month before. On a year to date basis we're at \$6.2M. Just for a note, Ms. Couillard and I are preparing to come back to the Commission to provide an update on our projected year end forecast. That will be in, well in May, but it will be coming up.

Mr. Bunch stated question Mr. Chavez, the AT&T Pole Settlement that you guys worked really hard on, where do those dollars appear, is that an income revenue?

Mr. Chavez stated it is, it is a one-time revenue this month because we were able to reverse it. We ended the entries and then it was a drop to the bottom line of \$275,000.

Mr. Bunch stated okay, thank you sir.

(4-a) Financial Status - March 2020 (cont.):

Mr. Chavez stated, and we are, just to continue on the AT&T, Mr. Cloud and I are working on a longer-term contract. We have bi-weekly meetings set up with a representative from AT&T and we expect to, we're making progress albeit slow, but we expect to get there shortly. Next slide, please. Okay, March 2020 capital expenditures \$1.7M, \$0.8M of annual projects and \$0.9M of major projects. And the annual projects of \$0.8M, overhead and underground extensions. On the major projects, Western Utilities Complex, continued work on Smyrna Substation, and Wastewater Sanitary Sewer, Systems 10 and 11. Next slide, year to date \$6.2M, \$2.2M of annuals and \$4M of majors. I'll focus on the majors since they're bigger dollars, major Western Utility Complex and Lift Station #60, transfer switch upgrade work. Next slide, metrics for the month, we are \$1.2M if you look at the very top right hand side, \$1.2M under in revenue versus this time last year. But that decrease is driven by the over recovery of fuel, we'll be talking later on in the conversation about that over recovery that we built up a significant balance, we'll use some of that for the fuel adjustment that we're expecting to suspend for two months; so we'll use some of that. If you look in the middle there, purchased power, we continue to have favorability versus the prior year. We're right now in March year to date fuel, megawatt per hour, \$42.12, that's \$7.71 lower than the year before. So we're seeing a continued, and now with the oil, the status of oil and gas, we don't expect an uptick anytime in the near future as it relates to purchased power. If you look at the lower right corner the year to date electric and water sales are slightly higher than the prior year. We're still seeing continued year over year customer growth - electric 3.5%, water 3.9%, wastewater 4.4%, and reclaimed 21.8%. So even though we have the COVID-19 issues occurring, we are still seeing continued usage and so favorable on that end.

Mr. Chavez continued to the next slide and stated so from a bond update standpoint. We had sent an email communication approximately a week or so ago. We did post the official statement which is the official intention to the market that we plan to issue our bonds in the near future. So we posted that, we are waiting and sitting in the market right now just to determine when the best entry point is. There's been a little bit, just with everything going on with COVID and the oil markets the rates have been a little, kind of jumpy, but we expect them to calm down and as soon as that happens we will be ready to enter the bond market and issue our bonds. He went to the next slide and stated so Hilltop Securities when we're ready to execute, they'll issue or prepare a salespoint memorandum for their sales force, we'll monitor the markets for the best entry point, which will be when we expect the lowest interest rates. We're watching that daily with the Financing Team and we get regular updates from Hilltop Securities. At that point we will then do the refunding or refinancing of that 2013 A and B's and we'll issue the new capital.

Mr. Bunch stated you know it's tough to predict Mr. Chavez but do you sense in the last couple of days of the week you're seeing a little more stability, that it's going favorable.

Mr. Chavez stated it's been up and down. When we issued the official statement it was a little lower. When the oil markets hit a negative, the price per barrel and West Texas Intermediate went negative, the rates went up a little bit. So we expect, as soon as that shakes down a little bit, we expect the next couple of weeks, two to three weeks ideally, they'll start to settle down. Mind you above 3% is still historically low, we just want to hit ideally a sweet spot below 3%.

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Mr. Bunch stated okay, thank you.

Mr. Chavez went to the next slide and stated so Hilltop Securities will run an order period for a day, we'll determine whether to accept that underwriting which really comes around price. Chairman Biedenbach, I know when we have talked, we talked about the official statement, the way the documents and the CEO can sign the bond purchase agreement since your documents have already been approved and we went to the Commission, that's how it will proceed. We'll give you updates as we continue. Let's say we enter the market, the bond purchase agreement is signed, and then the bond counsel begins drafting the closing documents. He went to the next slide and stated pre-closing, the signing of the documents, close and transfer the fund two days after that. But once again waiting for the markets to calm down, then we'll determine the best entry point. And just a quick reminder, we are leveraging these historically low bond rates, it will save the U.C. and our customers over the long term doing it now versus waiting. So we still believe this is an excellent time to refinance and issue the new ones. He then concluded by stating unless there's any questions, that's everything Mr. Bunch.

Mr. Bunch stated thank you to Mr. Chavez and asked any questions for Mr. Chavez.

Commissioner Conrad stated I have a question, actually it's just out of curiosity, on the four pages that you had on the bonds, is that information any different than what we saw a month ago.

Mr. Bunch reiterated the question to Mr. Chavez, is the information any different than what was shown a month ago?

Mr. Chavez stated no, nothing, this is just kind of a quick update of where we're at and what the next steps are.

Commissioner Conrad stated but there's no change in the information that you've provided, the slides are the same right?

Mr. Bunch stated the issuance of the dollar value will be the same, correct.

Mr. Chavez stated oh, yes.

Mr. Bunch continued, just in more qualitative terms the rates have been a little above 3% or so in the last week. Mr. Chavez and the Finance Team think that dust is going to settle a little bit with a little more certainty for Coronavirus and it will be 2.9%'ish, and that will be good for us. And because we're not desperate to finance we can be patient and wait for that to settle. So no change Commissioner Conrad, it's just an update, we didn't want folks to sit out there wondering what we're doing with the bond issuance.

Mr. Chavez stated exactly, the fundamentals, everything that we've presented previously is the same. Now it's just a matter of what the interest rate, until we lock the interest rate will move around.

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Commissioner Conrad stated thank you.

Commissioner Holcomb stated Chairman Biedenbach.

Chairman Biedenbach stated yes.

Commissioner Holcomb stated and I will just say that I concur with that strategy here, being prepared but patient I think is a great approach. Obviously, we're dealing with uncertain times but again with the ability, nobody knows where we're going to be in 30, 60 days, I don't think, seeing oil where it is right now, so I like our strategy of being prepared but yet being patient. And I feel very confident with the strategy and the things that I've heard. So I just want to comment on that because I know that people are going to see a lot of things out there, but I love our position. I love that we'll be letting people know that we will be coming to market, and our t's crossed and i's dotted because when it does take hold it's going to benefit us and so on every half point; that's it.

Chairman Biedenbach stated thank you Commissioner Holcomb. Anybody else want to comment? Chairman Biedenbach then stated I do, Mr. Chavez, how long a window do we have to wait for this thing. Is there a time limit on that document that I signed?

Mr. Chavez stated no there isn't. When we posted the Official Statement, 60, 90 days realistically. And our fundamentals are not, or basic financial statements have not changed. And as long as there isn't a material change in our position the data can stay out there. Now if it were to stay out there theoretically for a year, we'd have to go back. But we don't expect a year, in a short-term window, 60, 90, even 120 days are appropriate and okay.

Chairman Biedenbach stated I understand, thank you. Any other questions for Mr. Chavez? After confirming there were no further questions for Mr. Chavez, he thanked him for his presentation.

(4-c) Proposed Postponement of Modernization Workshop (Currently Scheduled for 5-20-20 at 1:00 p.m.):

Mr. Bunch then indicated that he would be covering item c. on section 4. We had previously scheduled the Grid Modernization Workshop on May 20th and at this point in time the Coronavirus pandemic has impacted our consultants' ability to finalize product we had anticipated in getting in the last month to 60 days. It's 70%, 80% done, they've restricted travel just like us and in some cases completely disallowed it. So at this point we've got drafts of all of the work products, one is pretty much final, and it will be integrated over the next couple of months. So we anticipate being able to sit down with you in a meeting, we don't think it would lend itself to trying to do this through a teleconference, and honestly there's no real hurry to present all of this information. So we'd rather, let's anticipate sometime, I don't know, sometime in July, so 60 days or so later, sit down with you. Hopefully by that time we can have a meeting where when we're in a room, give you a chance to ask questions, present the information. So for that I'm just recommending that we approve the postponement of the workshop that I had previously scheduled for May 20th and

(4-c) Proposed Postponement of Modernization Workshop (Currently Scheduled for 5-20-20 at 1:00 p.m.) (cont.):

we would keep you advised on the progress and reach out to you for availability when we did want to schedule it. So I wanted to, Chairman, ask your approval to do that.

Chairman Biedenbach stated I have no problem with it. Do any of the other Commissioners have a problem with rescheduling? Hearing nothing, that's fine Mr. Bunch, keep us informed. One thing, is the City okay with the delay, because I know they're pushing or something for the boat ramp or whatever. And I forget exactly what it was, but I know the City was interested in talking to us about a combined facility on the maintenance; are they okay with the push back?

Mr. Bunch stated that study is still moving forward, in fact Ms. Couillard had a conference call last week to talk about the Williamson Boulevard alignment, Mr. Cloud participated, and that's a component of the overall property layout. But Ms. Couillard did you want to add any commentary on how the discussion with the City and Williamson would be related.

Ms. Couillard stated yes, so we had the conference call with about 25 folks from FDOT, the County, the City, ourselves, discussing alternatives for the Williamson Road (Boulevard) going through our property. We sat and listened to everyone's concerns and requirements and we're pulling all that together. With respect to the boat ramp, that's the Joint Fleet Study that we're doing with the City, and so we had our kick off meeting where they took all the requirements from our team and from the City. And they've done general layouts and they're putting together high-level budget estimates for us and the City to review and see if it's a feasible option out at the Western Utility Complex.

Mr. Bunch stated and when do you think we'll be able to discuss with the City and then maybe even the Commissions?

Ms. Couillard stated I expect in probably the end of May we'll have all the data where we can all sit down and look at it and discuss it. And then after that we would, whatever the decision is, we would come and talk with everyone.

Chairman Biedenbach stated okay, but this seems to be on track at this point even with COVID-19, okay, that's fine. Anything else Mr. Bunch?

Mr. Bunch stated no sir, that concludes the General Manager's Report.

(5) Commission Counsel's Report - General Counsel:

Chairman Biedenbach stated all right, that takes us to Mr. Cloud.

Mr. Cloud stated yes sir, if I may, Mr. Chavez and I have worked out the contract with American Tower, which is a cellular communications contract. It was not ready for the agenda; we want to give the Commission an opportunity to review what will be a 35-year agreement so that will come to you on the next agenda. And that will involve an increase in fees paid to the Utilities Commission so it will be a good news item but it wasn't quite ready

(5) Commission Counsel's Report - General Counsel (cont.):

for prime time this month. With regard to Williamson Boulevard, you did hear some earlier discussion on it. We had a new alignment introduced to us during the meeting, it is closer to the interstate interchange and staff is reviewing to determine, make sure whatever alignment is situated takes into account where we plan on putting our facilities on the property. After all this a road that the Utilities Commission does not need, it is a road that some in the community have come asking for. And so when we know more, it'll be an appropriate time to discuss those alignments with the Commission so that you are fully and thoroughly briefed on it beforehand.

Mr. Cloud continued, the Hypower case is pretty much in the same status it's been. With regard to JEA (Jacksonville Electric Authority) some Federal subpoenas have been handed down in that case and there's been some speculation in the press there may be a Federal indictment in that case. That has no effect on the Utilities Commission but I know that we've all had some interest in how that case worked out. None of the legislation that was proposed that would have facilitated the JEA sale passed through the Legislature this year; none of it made it through.

Mr. Cloud continued, there are two final items I would mention, the first is in the bid that was awarded for the Smyrna Substation Expansion 08-19, the company that was awarded the bid has been in the process of being transferred to another company; that would be J. L. Malone being transferred to the Fishel Company. In discussions with your Engineer the staff is quite satisfied with the efforts there and would recommend to you that you authorize an approval of an assignment of that agreement, and that would be the one thing I would ask you. The extension of the emergency is covered in item 7-b., so there will be time enough to discuss that. And so, my only request is that you would authorize us to approve an assignment of the J. L. Malone Smyrna Substation Expansion agreement to the Fishel Company.

Chairman Biedenbach stated you want me to do that now sir?

Mr. Cloud stated yes sir, I would ask that the Commission to do so.

Chairman Biedenbach stated okay, I need a motion by one of the other Commissioner for what Mr. Cloud just said for an assignment. He then asked Mr. Cloud to please repeat that then whoever wants to make that motion just say so moved.

Mr. Cloud stated it would be a motion to approve the assignment of the Commission's contract with J. L. Malone for the Smyrna Substation Expansion to Fishel (*spelled this name*) Company.

Commissioner Holcomb stated I'll go ahead and make that motion.

Chairman Biedenbach stated thank you, I need a second.

Commissioner Griffith stated second.

(5) Commission Counsel's Report - General Counsel (cont.):

After confirming the second was made by Commissioner Griffith, Chairman Biedenbach stated okay, it's been moved and seconded. Does anybody want to have any discussion on this thing now that it's on the floor. Hearing none, will you please call the roll Mrs. Simmons.

Commissioner Holcomb's motion then passed unanimously on a roll call vote.

Chairman Biedenbach asked if Mr. Cloud had anything else.

Mr. Cloud responded no sir, thank you very much.

Chairman Biedenbach added I appreciate all your help.

(6) Old Business:

There were no Old Business items for consideration.

(7) New Business:(7-a) Temporary Rate Reduction - Modification to Fuel and Purchased Power Cost Adjustment Clause (FPPCAC):

Chairman Biedenbach then stated I believe at this point Mr. Chavez you're back up again.

Mr. Chavez stated okay, so in response to the COVID-19 current events and such and knowing the economic end or personal sickness and the like that's been occurring, based on what our peers and what we thought would be best for the community and our customers we are proposing a two month suspension of the fuel and purchased power adjustment, it's the FPPCAC. We did send an email last Wednesday summarizing the current state of our, in essence our receivables, billings, and cash collections and in that we did talk about as well the two month suspension of this fuel and purchased power adjustment. This would assist the customers for the electric portion. What we're currently doing is just over two cents per kilowatt hour for the fuel adjustment or \$22.68 per month per 1,000 kWh. What we're recommending for the month of May and June is a suspension of that fuel and purchased power cost adjustment to go from \$22.68 per 1,000 kWh to zero. Now this would help our customers and it would not materially impact the financials, it would be revenue neutral to us those two months. Currently as of March 31st we're approximately \$6.5 million in an over-recovered position. Even with this \$1.3 million impact of the suspension we would still roughly end up with our fuel and purchased power adjustment at year end at about \$8.5 million in an over recovered position. We don't expect issues now or in the foreseeable future, just as we kind of indicated before the natural gas and the power markets have been flat and not increasing. So this would be great for the community, doesn't have a material impact to our financial statements and we would still be in an over recovered conservative position at year end. Concurrently, now that we're done, we're through the bond and the bond feasibility study, Raftelis has started their rate study and as part of that will look at what their recommendations will be around what kind of reserve we should have around fuel and purchased power. So we believe with that we'd still have more than enough in the fuel, in the over recovery position. So what we're asking for is your concurrence related to this two

MINUTES OF REGULAR UC MEETING HELD 4-27-20**PAGE 11****(7-a) Temporary Rate Reduction - Modification to Fuel and Purchased Power Cost Adjustment Clause (FPPCAC) (cont.):**

month suspension of the fuel and purchased power cost adjustment. I'll pause there to see if there's any questions, comments, or concerns.

Chairman Biedenbach asked if any of the Commissioners had any questions or comments for Mr. Chavez.

Commissioner Davenport stated I do, I think it's a great idea, appreciate you taking this extra time, staff, to look into these types of things. I know the community will be glad too, thank you.

Chairman Biedenbach stated thank you Commissioner Davenport. Anybody else want to say anything.

Commissioner Griffith stated Chairman Biedenbach.

Chairman Biedenbach stated go ahead.

Commissioner Griffith stated I also agree with this, great call, we may need to even consider further extension. I heard over the weekend FP&L are announcing that they're lowering rates 25%, did anybody else pick that up?

Mr. Chavez stated we did, yes, we've been monitoring what our peers are doing just for clarification. It worked out very well for FPL because that 25% decrease was going to occur regardless, but it worked out very well for their customers.

Commissioner Griffith stated yes, just wanted to suggest maybe some flexibility we might need a third month based on FPL; just a thought.

Mr. Chavez stated no, understood.

Mr. Bunch added that \$22.68 is about a 22% reduction to the average residential bill of 1,000 kWh. So we're pretty close to FPL we just got there by a different path by zeroing out the energy charge for the two months. And I think Commissioner Griffith we have some flexibility as well.

Commissioner Griffith stated well that's good and I think it's a good way to cover costs and we need to get the word out and obviously inform our ratepayers and our friends and customers and the like, you know, the balance of where we are and where we're going.

Mr. Chavez stated and to that end what we'll do, assuming that you know with your approval of course, we will then do a nice marketing email campaign that Mrs. Pitcher will be heading up. So that will be as soon as we move past this we will then issue that.

Mr. Bunch stated so they've already put together a billing insert to go out in the bills and Mrs. Pitcher and team will do some website updates, social media posts, so that and as much as we can we'll reach out to the community and let them know we're doing this.

(7-a) Temporary Rate Reduction - Modification to Fuel and Purchased Power Cost Adjustment Clause (FPPCAC) (cont.):

Chairman Biedenbach then asked does any other Commissioners have any comments?

Commissioner Conrad stated Chairman Biedenbach.

Chairman Biedenbach stated go right ahead.

Commissioner Conrad asked just out of curiosity again, what was the over recovered position at the beginning of this fiscal year?

Mr. Chavez stated I'd have to go back, we were still. Mr. Beyrle would you know by any chance? I'd have to go back and look.

Mr. Bunch stated I seem to remember about \$2 million Commissioner and Raftelis is going to recommend that we retain about 20% of our annual purchased power in this reserve fund and if that's the case, historically we only kept a little bit in there. So if the market swung the other way we'd be out of pocket for a while. More than likely we'll have a couple of million in there at the end of the year that's over and above that if Mr. Beyrle's and Mr. Chavez's cash projections go as we expect. So, a. I think if we got to June and the Commission felt there was a need to extend that, that option for a small period of time we could probably do it. There's probably going to be a little left in the reserve at the end of the year based on Raftelis' projection, if we understand what their general approach will be.

Commissioner Conrad stated and I agree wholeheartedly with what Commissioner Griffith had stated, I would like to see us be able to have the flexibility to go forward for another month if we need to and I think it's a great idea to do what we're doing; certainly would make the motion to go forward with the plan to reduce.

Commissioner Holcomb stated Chairman Biedenbach.

Chairman Biedenbach stated go ahead to Commissioner Holcomb.

Commissioner Holcomb stated the reason, I want to say I like the 60 days and I absolutely agree with the compassion of the move, I think it's great. It's such a volatile moving target that we're moving with, I think smaller moves like the 60 days because, you know, again we don't even know how this phase one, phase two, and phase three coming back online works. So we might have people that, I think our circumstances might be different in June, so I think giving yourselves 60 days is pretty comfortable for sales and reassess at 60 days because of the way it's a different meeting, a different set of circumstances. These are all things that you just can't get so far ahead of yourself with moves because you're going to get dealt a new set of circumstances probably tomorrow or next week. So, I love the move, I like the ability because you're given us enough information, the circumstances dictated that we have that in our coffer to make that move if we need it but I still think we've got to, we reassess at 60 or at 30 days and look at where our new circumstances are. Because again this is insane as far as how this thing is, you know from working to not working, from essential to non-essential, to who's coming back. I just, I don't think we have enough information to make a decision farther than 60. So I'd commend the 60 day move, I think it's a very compassionate move

(7-a) Temporary Rate Reduction - Modification to Fuel and Purchased Power Cost Adjustment Clause (FPPCAC) (cont.):

and I like the fact we want to do something but that's where I would stay with before we get ahead a little bit. Thanks.

Chairman Biedenbach stated okay, I think everybody has had their say. At this point then Mr. Chavez do you need a motion for this, is that correct?

Mr. Chavez said yes but before we do that to address Commissioner Conrad's question, we were just over \$4 million at the start of the fiscal year in the over recovered.

Commissioner Conrad stated thank you very much, I thought it was enough that we could do this.

Chairman Biedenbach then stated are you satisfied Commissioner Conrad?

Commissioner Conrad stated yes I am, thank you.

Chairman Biedenbach stated okay, I need a motion.

Commissioner Davenport stated I make a motion we approve the temporary rate reduction based on the information we received from our CFO.

Chairman Biedenbach stated thank you Commissioner Davenport, is there a second?

Commissioner Griffith stated second.

Chairman Biedenbach stated thank you Commissioner Griffith.

Mr. Cloud stated Commissioner, Mr. Commissioner, point of order.

Chairman Biedenbach stated go ahead.

(7-b) Resolution Extending Emergency Declarations and Amending Rules of Procedure to Support Modification/Reduction of FPPCAC (Proposed U.C. Resolution No. 2020-07):

Mr. Cloud stated the way to approve this will be in the very next item, in that resolution will be the approval. There are two other matters covered by the resolution which relate to the creating a process in your rate resolution that allows you, that specifies you approve it without having to go through advertisement since in fact it's a reduction in rate. And the third item covered in the resolution is approving the extension of the emergency declarations. So if you have a motion to adopt the resolution that is the next item that will enable you to do all three of those things.

Chairman Biedenbach stated all right, here's what we're going to do, you're going to put it out there just like the last time, you're going to put it so that it can be, and then I need one of the Commissioners to say so move and someone else to say second. Go ahead Mr. Cloud.

(7-b) Resolution Extending Emergency Declarations and Amending Rules of Procedure to Support Modification/Reduction of FPPCAC (Proposed U.C. Resolution No. 2020-07)
(cont.):

Mr. Cloud stated yes sir, it would just be a motion to approve Resolution No. 2020-07.

Commissioner Davenport stated so moved; specifically a motion to approve U.C. Resolution No. 2020-07 as submitted which extends the U.C.'s emergency declarations and amends the U.C.'s rules of procedure to support an emergency temporary rate reduction / modification to the FPPCAC and for this resolution to become effective immediately upon passage by the Utilities Commission.

Chairman Biedenbach confirmed the motion was moved by Commissioner Davenport.

Commissioner Griffith stated second.

Chairman Biedenbach then stated it's been moved by Commissioner Davenport and seconded by Commissioner Griffith and requested a roll call vote be taken on the motion.

Commissioner Davenport's motion then passed unanimously on a roll call vote.

(8) Possible Other Business - Time for Commissioners:

Chairman Biedenbach then asked the Commissioners if they had anything they wanted to say for the good of the organization.

Commissioner Davenport stated he did.

Chairman Biedenbach stated go ahead.

Commissioner Davenport stated I was just thinking recently about our land out on 44 and with the amount of wetlands that we have on that property would it be possible to investigate the idea of us the Utilities Commission setting up a wetland bank. With all of our wetlands on that property that could be a real generator of revenue for the U.C. if we can look into that. Because if you do have wetlands and you're going to develop it you've got to go to certain banks and I just thought I'd bring it up and maybe investigate the idea.

Chairman Biedenbach stated okay, it's on the table.

Mr. Bunch stated Ms. Couillard or Mr. Cloud do you want to address the question posed by Commissioner Davenport.

Mr. Cloud stated I've had some exposure to permitting mitigation banks going back about 25 years and I don't know enough to know if there is enough of what they call up or lift in the re-wetting of wetlands on that property from what they might have been historically. I just don't know enough to if it's something that would make sense which suggests that Commissioner Davenport's comments are right on and that it's something that could be looked at in an assessment of the overall site.

(8) Possible Other Business - Time for Commissioners (cont.):

Commissioner Davenport stated that's what I'm alluding to, thinking out of the box while we're doing this investigation into that property.

Ms. Couillard stated I appreciate the feedback and definitely I'll get with my survey team and start talking about that as well. This is something new I've never heard of before.

Chairman Biedenbach stated thank you Ms. Couillard. Any other comments from any of the other Commissioners?

Mr. Bunch stated Commissioner Griffith you had something you brought forward to us; did you want to cover that item now sir.

Commissioner Griffith stated yes, I was just getting ready to, thanks Mr. Bunch. Reluctantly I had to submit a notice to Mr. Bunch with respect to my resignation. I need to prioritize both some medical issues as well as family needs and I just wanted to say I'm reluctant to do this but I've got to call the right priorities. It's been an honor and a privilege to serve as a Commissioner, learned a lot. The Commission's in great shape with a lot of good moves that have been made in the last few years, last two or three years. And there's lots of excitement, Commissioner Davenport just talked about the Western Utility Complex and that's going to be an amazing thing to develop and you all are going to have the opportunity to really do something great. We've received continued growth, we've got people, development going on and I think this is a good time for the U.C. at this point in time in this life. And also, I just kind of want to wish my fellow Commissioners and all the outstanding employees the best of continued health, safety and service to our community. So thumbs up, life is good, we've got a lot of things we're going to take care but we're going to get to them and make it happen. Don't forget our ratepayers, don't forget our good employees, and every once in a while make sure we're staying in our lanes. God bless you all, looking forward to staying in touch with you all, and wishing everybody the best of future success, safety and health. Thank you.

Chairman Biedenbach stated Commissioner Griffith we're going to miss you. I know that I personally am. When are you making this official sir?

Commissioner Griffith stated I sent a letter to Mr. Bunch effective tomorrow, unless somebody has a better idea.

Chairman Biedenbach stated well, if that is your wish.

Mr. Bunch stated as much as we regret Commissioner Griffith's resignation, I'll forward you a copy and we'll respect his request. Mrs. Simmons notified the City Clerk this morning so we've started the process, is underway. Mrs. Simmons will make sure that we get their most up to date resumes of folks that have previously expressed an interest. Then the City Commission will go through the process of selecting the next. Commissioner Griffith I too extend my thanks to you. We wish you and Mrs. Griffith all the best. You're a gentleman and a pleasure to have served with during my tenure. Thank you.

Commissioner Griffith stated well thank you all again, it's been a great eight years.

MINUTES OF REGULAR UC MEETING HELD 4-27-20

(8) Possible Other Business - Time for Commissioners (cont.):

Chairman Biedenbach stated yes, wow. On that note, can I get a motion to adjourn please.

Commissioner Davenport made the motion to adjourn.

Chairman Biedenbach stated thank you so much, we're done.

There being no further business to come before the Commission, the Regular U.C. Meeting closed at 3:58 p.m.

APPROVED:

ATTEST:

DocuSigned by:
William Biedenbach
A1E7D7D06DB3478...
CHAIRMAN

DocuSigned by:
Lillian Conrad
CADAC4ECEF3A49E...
SECRETARY-TREASURER

These minutes were formally approved by the Utilities Commission at their **May 26** , 2020 meeting.