ADMINISTER OATH OF OFFICE TO JAMES N. SMITH - MAYOR RUSS OWEN

ROLL CALL

I. Reorganizational Item
   a. ✓ Election of Officers  (After election, if requested, brief recess for seating and title reorganization)
   b. ✓ U.C. Regular Meeting Schedule for Calendar Year 2021

1. Agenda Changes, Additions and Deletions

2. Public Participation  (Virtual & Limited On-Site w/Appt.)
   a. Request to Appear – Donna Athearn / Corbin Park Sewer System Plans

*3. Approval of Consent Items
   a. ✓ Minutes of Regular U.C. Meeting Held 8-24-20  (held via Webex Mtg. No. 132 789 0894)  
      (U.C. and State Requirements)
   b. ✓ Minutes of U.C. Workshop Meeting Held 8-19-20  (held via Webex Mtg. No. 132 644 5073)  
      (U.C. and State Requirements)
   c. ✓ Ratification – ITB 26-20 – South Beach Pump Station Upgrades and Approval of 
      Increased Project Amount  (Recommend award to McMahan Construction Co., LLC) – 
      J. Couillard  (U.C. and State Requirements)
   d. ✓ Granted and Accepted Third Party Utility Easement  (Planet Fitness – RCC New Smyrna 
      Beach Shopping Center, LLC, and Coastal Woods – Elbert Land Company LLC) – 
      J. Couillard  (U.C. and State Requirements)
   e. ✓ Developer’s Infrastructure, Capacity and Inspection Agreement– Coral Villas (fka North 
      Causeway Townhomes) – Coral Ville, LLC - J. Couillard  (U.C. and State Requirements)
   f. ✓ Ratification of Annual Purchase of Polymer, FY2021 Renewal  (Recommend Award to 
      Polydyne, Inc. based on ITB-UT-18-64 City of Palm Coast – Piggyback Agreement) – 
      T. West  (U.C. and State Requirements)

4. General Manager’s Report – J. Bunch
   a. Introduction of Interim Director, Electric Operations – Michael Schings
   b. Financial Status – August 2020 – E. Chavez
   c. Balanced Scorecard and Enterprise Metrics – August 2020 – E. Chavez
5. **Commission Counsel’s Report – General Counsel**
   a. Florida Statutes Chapter 112 - Section 112.3143 Voting Conflicts Compliance – Publicly Read Commissioner Holcomb’s Form 8B into Record

6. **Old Business**

7. **New Business**
   b. ✓ New Compensation Program Policy – B. Pitcher *(U.C., State, & Federal Requirements)*

8. **Possible Other Business - Time for Commissioners**
   a. ✓ Presentation – Appreciation of Honorable Service – William (Bill) Biedenbach (Resolution No. 2020-12) – J. Bunch *(U.C. and State Requirements)*

✓ A Check Mark Indicates Items Which Commission Approval Has Been Requested On This Agenda

Please Note -- Most Discussion Items Will Not Have Documentation, Will Be Listed On Agenda Only

* Consent items to be approved as recommended or accepted as appropriate without further comments unless discussion is requested by Commissioner.
** Pursuant to Section 286.0105 of the Florida Statutes, if an individual decides to appeal any decision made by the Utilities Commission, City of New Smyrna Beach, Florida, with respect to any matter considered at a meeting or a hearing, that individual will need a record of the proceedings, and will need to ensure that a verbatim record of the proceedings is made. The transcription of such a verbatim will be provided an individual at a cost to be determined by the Utilities Commission in accordance with the full cost to reproduce such transcriptions and copies.
** In accordance with the American with Disabilities Act, persons needing special accommodations to participate in this proceeding should contact the individual or agency sending this notice as soon as possible but no later than two days prior to the proceeding at the address given on the notice.
The first Regular Meeting of the Utilities Commission held in September is deemed the Reorganizational Meeting at which time the Commission elects from its membership a Chairman, Vice Chairman, Secretary-Treasurer and Assistant Secretary-Treasurer.

This is in accordance with and as provided by Resolution No. 2018-01 and as amended by Resolution No. 2019-01 (copies attached).

RECOMMENDED ACTION:
Vice Chairman Holcomb to conduct an election of officers and after said election, the remainder of the meeting to be conducted by its then elected Chairman.

GM/CEO Joseph Bunch
RESOLUTION NO. 2018-01

A RESOLUTION OF THE UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA; REVISING RESOLUTION NO. 2-09, AS AMENDED; AMENDING, RESTATING, READOPTING AND RENAMING THE UTILITIES COMMISSION RULES OF PROCEDURE; PROVIDING FINDINGS; PROVIDING DEFINITIONS; SPECIFYING OFFICERS AND THEIR DUTIES; PROVIDING RULES OF PROCEDURE FOR PUBLIC MEETINGS; PROVIDING RULES OF PROCEDURE FOR PUBLIC HEARINGS; PROVIDING RULES OF PROCEDURE FOR PUBLIC PARTICIPATION; DEFINING ALLOWABLE EXPENSES FOR REIMBURSEMENT; PROVIDING FOR DISCLOSURE OF VOTING CONFLICTS AND COMPLIANCE WITH THE CODE OF ETHICS FOR PUBLIC EMPLOYEES; PROVIDING DELEGATIONS OF AUTHORITY FROM THE UTILITIES COMMISSION; PROVIDING FOR RESCINDING CONFLICTING RESOLUTIONS OR PORTIONS THEREOF; PROVIDING FOR SEVERABILITY; PROVIDING FOR AN EFFECTIVE DATE.

NOW, THEREFORE, BE IT RESOLVED BY THE UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA, AS FOLLOWS:

SECTION 1. SHORT TITLE. This Resolution and the rules, regulations, and policies contained herein shall hereafter be referred to and may be cited as the “Utilities Commission Rules of Procedure.”

SECTION 2. FINDINGS AND INTENT. The Utilities Commission, City of New Smyrna Beach, Florida (the “Utilities Commission”) makes the following findings and declares the following legislative intent:

(1) Since its inception in 1965, the Utilities Commission has adopted, maintained, and modified rules establishing its own procedures.

(2) Variously named “Rules of Procedure,” “Rules and Regulations for the Conduct of Meetings and the Operation of Business,” and “Rules and Regulations for the Conduct of Public Hearings,” these rules have been modified fourteen (14) times since the creation of the original “Rules of Procedure” adopted September 1, 1965.

(3) The Utilities Commission now wishes to amend, restate, readopt, and rename these rules as the “Utilities Commission Rules of Procedure,” which will include rules, regulations, and policies related to its officers and their duties, public meetings, public hearings, public participation, expenses, disclosure of voting conflicts, and any other matters deemed relevant by the Utilities Commission.

(4) The Utilities Commission has traditionally permitted public participation in its public meetings.
(5) Many Florida local governments allow public participation but have adopted rules to govern its conduct.

(6) Public participation in government business is the bedrock of American local government and should be protected, permitted, and not discouraged consistent with principles of common and statutory law.

(7) Since 1975, the Utilities Commission has promulgated and sustained public participation rules.

(8) Since 1984, the Utilities Commission has promulgated and sustained public hearing rules.

(9) In 2013, the Florida Legislature adopted Section 286.0114, Florida Statutes, that requires municipal boards and commissions to provide ratepayers a reasonable opportunity to be heard before official action is taken.

(10) The Utilities Commission has not updated its public participation rules since 1984.

(11) At the same time, some forms of comment that slander, defame, libel, disparage, or smear individuals through ad hominem attacks are neither germane to public business and are inappropriate to the decorum of public meetings involving the public business of a Utilities Commission.

(12) The Utilities Commission is permitted to set reasonable ground rules for public participation within its Utilities Commission meetings.

(13) It is the intent of these rules that the deliberations and actions of the Utilities Commission be conducted and taken openly in order that the ratepayers may be fully informed, it being the finding of the Utilities Commission that the ratepayers must be fully informed if they are to be intelligently advised as to the conduct of public business by the Utilities Commission.

SECTION 3. DEFINITIONS. For the purpose of these rules, the following definitions shall prevail:

(1) A "meeting" is a gathering of a quorum of the membership of the Utilities Commission, for the purpose of receiving information relating to public business, or for discussion of public business, or for official action upon a proposition related to public business.
(2) A "regular meeting" is a meeting held pursuant to a schedule of such meetings as approved by the Utilities Commission to enact resolutions, conduct public hearings, or otherwise discuss or act upon matters within its authority.

(3) A "special meeting" is any meeting other than a regular meeting held by the Utilities Commission. A "special meeting" is held for the purpose of addressing matters requiring the immediate attention of the Utilities Commission or for the purpose of addressing matters which the Utilities Commission has determined are best addressed at a special meeting. When a special meeting is called, the Chairman of the Utilities Commission shall specifically state the purpose of the meeting and the Utilities Commission shall address only those matters for which the meeting was called.

(4) "Commissioner" shall refer to the Chairman and members of the Utilities Commission.

(5) A "workshop meeting" is a meeting held by the Utilities Commission on such day as may be designated by the Chairman, the General Manager/CEO, or the Utilities Commission during which the Utilities Commission meets pursuant to the Sunshine Laws for the purpose of receiving staff comments and discussing amongst themselves, matters that may, at some future time, come before the Utilities Commission, or any other matter pursuant to Section 4 hereof.

SECTION 4. OFFICERS AND THEIR DUTIES.

(1) Officers. At the first regular meeting of the Utilities Commission in September of each year, the Commissioners shall elect a Chairman, Vice-Chairman, Secretary-Treasurer, and Assistant Secretary-Treasurer from its membership.

(2) Chairman. The Chairman shall preside at all meetings and public hearings scheduled by the Commission. The Chairman shall appoint from the Utilities Commission any committees deemed desirable to investigate and render reports to the Utilities Commission regarding matters under the cognizance of or of interest to the Utilities Commission in the proper performance of its business.

(3) Vice-Chairman. The Vice-Chairman shall serve as Chairman in the absence of or due to disability of the Chairman. In the event of the absence, disability, resignation, removal by the City, or death of the Chairman, the Vice-Chairman shall perform the latter's duties until such time as the Commission shall elect a new Chairman.

(4) Secretary-Treasurer. The Secretary-Treasurer shall be the custodian of all records of the proceedings and actions of the Utilities Commission and of its official seal. The Secretary-Treasurer shall keep or cause to be kept appropriate minutes of all meetings, public hearings of the Utilities Commission and record all of its proceedings and shall attest to official documents of the Utilities Commission when required.
(5) **Assistant Secretary-Treasurer**: The Assistant Secretary-Treasurer shall serve as Secretary-Treasurer and perform all the duties of the Secretary-Treasurer in the absence of or due to the disability, resignation, removal by the City, or death of the Secretary-Treasurer. In the event of any of the foregoing, the Assistant Secretary-Treasurer shall perform the latter's duties until such time as the Utilities Commission shall elect a new Secretary-Treasurer.

(6) **Additional Duties**. The Chairman, Vice-Chairman, Secretary-Treasurer and Asst. Secretary-Treasurer shall perform such other duties and functions as may from time to time be required by the Utilities Commission, its Enabling Act, or by its resolutions.

**SECTION 5. MEETINGS.** Meetings of the Utilities Commission shall be conducted as follows:

(1) **Regular Meetings**. The regular meetings of the Utilities Commission shall usually be held at 6:00 p.m. on the fourth Monday of each month at the offices of the Utilities Commission located at 200 Canal Street, New Smyrna Beach, Florida. When a regular meeting falls on, or immediately before or after, a legal holiday, the Utilities Commission may, at its discretion, reschedule such meeting to another convenient time. Also, the Commission may otherwise change the date and/or time of regular Utilities Commission meetings as it deems desirable for benefit to the public and itself.

(2) **Special Meetings**. Special meetings of the Utilities Commission shall be called by the Chairman, by the Secretary-Treasurer, or by the General Manager/CEO, or upon the written request of any three members of the Utilities Commission or by consensus of the Commissioners present at the time of scheduling of such meeting.

(3) **Workshop Meetings**. Workshop meetings may be scheduled by the Chairman, by the Secretary-Treasurer, or by the General Manager/CEO, or upon the request of any member of the Utilities Commission (if concurred by a majority of the Utilities Commission) for the purpose of enabling the Utilities Commission to study, investigate, receive briefings, reports, and to discuss subjects relevant to the purpose of such meeting, or other business of the Utilities Commission. In no event shall official action be taken by the Utilities Commission at any workshop meeting.

(4) **Notice of Regular, Special, or Workshop Meetings**. Notice of regular, special or workshop meetings of the Utilities Commission and the agenda for any such meeting shall be posted at least twenty-four hours prior thereto, and accessible to the public in the lobby of the Utilities Commission offices and posted on the Utilities Commission's web site. Also, notice thereof shall be furnished to the City Commission for posting in the City Commission Hall lobby. Local representatives of the news media shall be notified at least twenty-four hours prior to any such meeting.
(5) **Quorum and Procedure.** Any three members of the Utilities Commission shall constitute a quorum for the transaction of business. A majority vote of the Utilities Commissioners present shall be necessary to adopt or approve any official action of the Utilities Commission. The passage of all motions shall be taken by a voice vote and the result entered upon the minutes. In the absence of both the Chairman and Vice-Chairman, those Commissioners present constituting a quorum shall, by a majority vote, elect a presiding officer for such meeting.

(6) **Rules of Attendance.** All members of the Utilities Commission and designated employees shall attend all meetings and public hearings of the Utilities Commission unless prevented from doing so by reasonable cause. If a Commissioner is absent from three consecutive meetings (including two regular meetings) of the Utilities Commission, or misses more than four regular Commission meetings in a calendar year, the Utilities Commission shall notify the City Commission of same.

(7) **Order of Business.** The order of business at all regular meetings of the Utilities Commission shall conform to the agenda prepared by the General Manager/CEO as provided in Subsection 5(9) below.

(8) **Compliance with Sunshine Law and Public Records Law.** All meetings of the Utilities Commission shall be conducted in compliance and accordance with and subject to the provisions of § 286.011, Fla. Stat. Furthermore, the Utilities Commission shall comply fully with the Public Records Law, Chapter 119, Fla. Stat. The Utilities Commission may utilize or comply with, as appropriate, any exemptions and exceptions contained in the Sunshine Law and the Public Records Law.

(9) **Agenda.** An agenda shall be prepared by the General Manager/CEO or at his direction, listing all matters which shall be taken up by the Utilities Commission at any of its meetings. Any matter requested in writing and furnished by any Commissioner or the Utilities Commission's General Counsel to the General Manager/CEO must be placed on the agenda. The agenda for a regular meeting scheduled will usually be prepared one week before each regular scheduled meeting but in any event not less than twenty-four hours prior to the commencement of that or any other meeting. Subjects not specified on the agenda shall not be taken up at such meeting, except by consent of a majority of the members of the Utilities Commission present. The agenda for all regular Utilities Commission meetings shall conform generally to the following format, but may vary based upon the consent of a majority of the members of the Utilities Commission present:

"ROLL CALL
1. Agenda Changes, Additions and Deletions
2. Approval of Consent Items (Minutes of previous meetings and any other business approved as recommended or accepted as appropriate without further comments. Items on the consent agenda are defined as of a routine nature that do not warrant detailed discussion or individual action by the Utilities Commission. Any member of the Utilities Commission may remove any item from the consent agenda simply by an oral request at
the meeting. Removing an item from the consent agenda does not require a motion, second, or a vote; it would simply be a unilateral request of an individual Commissioner. All items remaining on the consent agenda, after each and every Commissioner has had the opportunity to remove items from same, shall be approved and adopted by a single motion, second and vote by the Utilities Commission without further discussion.)

3. Public Participation
4. General Manager's Report (Approval of Commissioner's Expenses, if any, will be considered under this item.)
5. Utilities Commission Counsel's Report
6. Old Business
7. New Business
8. Possible Other Business - Time for Commissioners

Anyone wishing to be scheduled to appear on the agenda for any meeting must make a request in writing to the Utilities Commission and explain in reasonable detail the subject and reason for such request. The Chairman may at his discretion rearrange the agenda to permit any such scheduled appearance to take place as early in the meeting as possible. Anyone so appearing must confine his or her discussion to the subject matter stated in the written request.”

SECTION 6. PUBLIC HEARINGS. Public hearings shall be conducted by the Utilities Commission in accordance with the following:

(1) Location. All meetings of the Utilities Commission shall be held at the offices of the Commission located at 200 Canal Street, New Smyrna Beach, Florida, unless the Utilities Commission indicates another location, and shall be open to the public as required by law.

(2) Notice of Public Hearings on Rates, Fees, and Charges. Unless otherwise provided by law, no rates, fees, charges or improvement assessments, hereinafter referred to as rates, fees, and charges, shall be fixed until after public hearings at which the users of the facilities provided by the Utilities Commission and owners, tenants and occupants of properties served, or to be served thereby, and others interested shall have an opportunity to be heard concerning the proposed rates, fees, and charges. The proposed changes to, or the fixing of rates, fees and charges may be read by title only or in full, at the preliminary hearing and again at the final hearing. Notice of the hour, date, and place of the preliminary and the final public hearings setting forth the intent to fix the schedule of rates, fees and charges shall be given by one publication in a newspaper of general circulation in the City of New Smyrna Beach, Florida, at least ten days before the date fixed in said notice for the preliminary hearing, which said hearing may be recessed from time to time to a date and time certain. Said notice shall advise that interested parties may appear and be heard at the public hearings and when and where they may inspect the proposed rates, fees and charges. Notice of the public hearing shall also be posted in the lobby of the Utilities Commission offices and notice thereof shall be furnished to the City Commission for posting in the City Commission Hall lobby. A copy of the adopted preliminary schedule of rates,
fees and charges shall be kept on file with the recording secretary in the Utilities Commission office for inspection by interested parties. After the second public hearing, the preliminary schedule either as originally adopted or as modified or amended shall be finally adopted and put into effect and thereupon the resolution providing the rates, fees, and charges will be effective on the date specified. The Utilities Commission shall also comply with the provisions of § 180.136, Fla. Stat. “Water or sewer utilities; notice.

(3) Public Hearings on Miscellaneous Matters. Unless otherwise provided by law, the Utilities Commission may conduct public hearings pertaining to matters other than changes in rates, fees, charges or improvement assessments by a single hearing which shall be final. The requirements on publication of notice shall otherwise be the same as set forth above.

(4) Appeals and Record of Proceedings. Pursuant to § 286.0105, Fla. Stat., or as otherwise provided by law, if an individual decides to appeal any decision made by the Utilities Commission, City of New Smyrna Beach, Florida, with respect to any matter considered at a meeting or hearing, that individual will need a record of the proceedings, and will need to ensure that a verbatim record of the proceedings is made. The transcription of such a verbatim will be provided an individual at a cost to be determined by the Utilities Commission in accordance with the full cost to prepare and reproduce such transcriptions and copies.

SECTION 7. COMMISSIONERS' EXPENSES INCURRED IN CARRYING ON BUSINESS OF THE UTILITIES COMMISSION. In addition to a member's salary, a Commissioner shall be paid necessary expenses incurred in carrying on and conducting the legitimate business of the Commission subject to the concurrence of this Utilities Commission. If time does not permit approval by the Utilities Commission prior to incurring such expenses appropriate to the proper conduct of the Utilities Commission, business expense approval after the fact must be made by the Utilities Commission.

SECTION 8. PUBLIC PARTICIPATION AND COMMENT; CONDUCT OF PUBLIC MEETINGS. The Utilities Commission has a long standing policy which encourages public participation of the ratepayers. In order to comply with § 286.0114, Fla. Stat., the Utilities Commission hereby continues its public participation policy applicable to its meetings to allow the ratepayers an additional opportunity to address the Utilities Commission. In addition to public hearings, a special time is hereby set aside at regular Utilities Commission meetings for the purpose of receiving comments and suggestions from the ratepayers. All comments made during any Public Comment period shall be subject to the following procedures:

(1) The Chairman or presiding officer shall preserve order and decorum at all meetings. During any Utilities Commission meeting, Commissioners shall maintain order and decorum. Utilities Commission staff and the ratepayers must be recognized by the Chairman before speaking or asking questions. The purpose of this requirement is so that
there is order and so that the recording equipment will properly record all comments made by individuals wishing to comment on a specific subject.

(2) Any person may attend Utilities Commission meetings, workshops and public hearings. In order for the Utilities Commission to conduct meetings and hearings in an orderly manner, however, normally no one will be recognized to speak before the Utilities Commission, unless authorized to speak by the Chairman, and if denied by the Chairman, any member of the Commission may insist that such person be heard. If such a challenge is made, the votes of the majority of the Commissioners present shall determine whether a person is or is not authorized to speak before the Utilities Commission.

(3) Except for those ratepayers who are unable to be physically present at a public meeting at which public comment is permitted, all comments must be made from the podium which is located at the front of the Utilities Commission Chambers or by other reasonable accommodations in any other location in which the Commission meeting is held, and shall address the subject of the agenda item. Individuals that appear before the Utilities Commission are required to state their legal name and their actual address for the public record. The purpose of this requirement is so that they are properly reflected in the minutes and are available for future reference. Notwithstanding the above, the Utilities Commission shall continue its long-standing tradition of permitting those ratepayers who cannot physically attend a meeting at which public comment is permitted to make comments by phone or in writing. Such comments shall otherwise comply with the requirements of this Resolution.

(4) Ratepayers shall be given a reasonable opportunity to be heard on a proposition before the Utilities Commission. The opportunity to be heard need not occur at the same meeting at which the Utilities Commission takes official action on the proposition if the opportunity occurs at a meeting that is during the decision making process and is within reasonable proximity in time before the meeting at which the Utilities Commission takes the official action. Reasonable time will be allowed to interested persons to speak when authorized to do so, in support of or against any relevant matter when being considered by the Utilities Commission. The Chairman may, however, fix a reasonable time or equal time limitations for supporting and opposing parties to speak in order to preclude excessive or repetitious remarks.

(5) At the discretion of the Chairman, public comments will be limited to three (3) minutes per person so that all may be heard on the matter and the Chairman, or his designee, shall in such instances monitor the timing and give the speaker a thirty (30) second notice prior to the expiration of the time allotted. The Chairman may, at his discretion, or at the direction of a majority of the Utilities Commission, extend the time allowed for an individual to speak or to allow a speaker a single opportunity to rebut comments made by another speaker. Any such rebuttal shall be limited to three (3) minutes. After receiving public comments as provided herein, the public hearing shall be
closed and all further discussion on the matter shall be limited to members of the Utilities Commission.

(6) As the Utilities Commission considers consent agenda items, emergency items, items involving official acts that involve no more than a ministerial act, approval of minutes, ceremonial proclamations and other similar items, the Chairman may, at his discretion, or at the direction of a majority of the Utilities Commission, accept comments from those in attendance.

SECTION 9. DECORUM. The Chairman shall preserve strict order and decorum at all meetings.

(1) In conducting the public's business, the Utilities Commission is committed to the principles of civility, honor, and dignity. Individuals appearing before the Utilities Commission are requested to observe the same principles when making comments on items and issues presented to the Utilities Commission for its consideration.

(2) Staff members and ratepayers are required to use proper language when addressing the Utilities Commission or the audience. Staff members and ratepayers shall not use profanity or cursing, aggressive or threatening behavior when addressing the Commission or other participants. All comments are directed to the Chairman and not to individual members of the Utilities Commission or to the audience. No personal verbal attacks toward any individual will be allowed during the conduct of a Utilities Commission meeting. The Chairman may have individual(s) removed from the podium and/or meeting chambers if such conduct persists after a warning has been issued.

(3) All members of the Utilities Commission shall accord the utmost courtesy to each other, employees and the public members appearing before the Utilities Commission and shall refrain at all times from rude and derogatory remarks, reflections as to integrity, abusive comments and statements as to motives and personalities. During Utilities Commission meetings, cell phones are to be turned off or silenced. Use of cell phones by Utilities Commission members and staff for talking, texting, emailing or otherwise will not be allowed during meetings while at the dais, except for emergency communications, research, or during breaks.

(4) In the case that any person is declared out of order by the chairman and ordered expelled, and does not immediately leave the meeting chambers, the following steps shall be taken:

(i) The chairman shall declare a recess.

(ii) The person shall be advised that they have been ordered expelled.
(iii) In case the person does not remove himself from the area he may be placed under arrest for violation of § 871.01, Fla. Stat., should the person continue to willfully interrupt or disturb the meeting.

(iv) In the event any person who is ordered expelled leaves the meeting chambers voluntarily and then returns to the same meeting, they are subject to arrest for violation of § 871.01, Fla. Stat., should the person continue to willfully interrupt or disturb the meeting.

SECTION 10. DISCLOSURE OF VOTING CONFLICT; COMPLIANCE WITH STATE ETHICS CODE FOR PUBLIC OFFICERS. Commissioners voting upon any measure in which they are aware of a personal, private, or professional interest to themselves, or which inures to their special private gain or the special private gain of any principal by whom the Commissioner is retained, shall announce prior to the vote that he or she has a voting conflict and shall within fifteen days after the vote occurs disclose the nature of his or her interest as a public record in a memorandum filed with the Utilities Commission recording secretary who shall incorporate the memorandum in the minutes of the meeting in which the vote was taken. Members of the Utilities Commission shall also comply with the provisions of the Code of Ethics for Public Officers as set forth in Chapter 112, Fla. Stat.

SECTION 11. DELEGATIONS OF AUTHORITY BY THE UTILITIES COMMISSION. The Utilities Commission hereby delegates to the General Manager/Chief Executive Officer the following:

(1) The General Manager/CEO or other designated employee, shall be empowered to sign, on behalf of the Commission, routine and recurring reports and documents requested and/or required by various governmental agencies.

(2) The General Manager/CEO shall perform such other duties or tasks as may have been previously delegated by the Commission which have not been previously repealed, consistent with these Rules of Procedure.

SECTION 12. WAIVER OF RULES. The Utilities Commission may, at any time, waive all or a portion of these rules of procedure during the course of a meeting. Provided, however, that any such waiver shall only be done upon a motion and majority approval of the waiver by members of the Utilities Commission present and voting. Such waivers shall only be granted to insure the protection of the right of ratepayers to be given a reasonable opportunity to be heard before the Commission takes official action on a proposition.

SECTION 13. SEVERABILITY. If any provision or portion of this Resolution is declared by any court of competent jurisdiction to be void, unconstitutional, or unenforceable, then all remaining provisions and portions of this Resolution shall remain in full force and effect.
SECTION 14. REPEAL OF INCONSISTENT RESOLUTIONS. All resolutions and portions of resolutions in conflict herewith are hereby repealed, including but not limited to Resolution Nos. 9-65, 35-75, 3-83, 1-84, 4-89, 2-94, 3-96, 27-96, 42-96, 8-03, 15-04, 16-04, 8-05, and 2-09.

SECTION 15. EFFECTIVE DATE. This Resolution shall take effect immediately upon its passage by the Utilities Commission.

THIS RESOLUTION was introduced at a regular meeting of the Utilities Commission, City of New Smyrna Beach, Florida, held this 23rd day of March, 2018, by Commissioner Holcomb who moved for its adoption, which motion was seconded by Commissioner Griffith, and upon roll call vote of the Commission was DULY ADOPTED as follows:

CHAIRMAN

VICE CHAIRMAN

SECY.-TREAS.

ASST. SECY.-TREAS.

COMMISSIONER

APPROVED:

William E. Biedenbach, Chairman

ATTEST:

Bernadette Britz Parker, Secretary-Treasurer

APPROVED AS TO FORM & LEGALITY:

Thomas A. Cloud, Interim General Counsel
RESOLUTION NO. 2019-01

A RESOLUTION OF THE UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA; REVISION RESOLUTION NO. 2018-01, AS AMENDED; AMENDING SECTION 4(1) OF THE UTILITIES COMMISSION RULES OF PROCEDURE; PROVIDING FINDINGS; PROVIDING DEFINITIONS; SPECIFYING OFFICERS AND THEIR DUTIES; PROVIDING RULES OF PROCEDURE FOR PUBLIC MEETINGS; PROVIDING RULES OF PROCEDURE FOR PUBLIC HEARINGS; PROVIDING RULES OF PROCEDURE FOR PUBLIC PARTICIPATION; DEFINING ALLOWABLE EXPENSES FOR REIMBURSEMENT; PROVIDING FOR DISCLOSURE OF VOTING CONFLICTS AND COMPLIANCE WITH THE CODE OF ETHICS FOR PUBLIC EMPLOYEES; PROVIDING DELEGATIONS OF AUTHORITY FROM THE UTILITIES COMMISSION; PROVIDING FOR RESCINDING CONFLICTING RESOLUTIONS OR PORTIONS THEREOF; PROVIDING FOR SEVERABILITY; PROVIDING FOR AN EFFECTIVE DATE.

NOW, THEREFORE, BE IT RESOLVED BY THE UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA, AS FOLLOWS:

SECTION 1. SHORT TITLE. This Resolution and the rules, regulations, and policies contained herein shall hereafter be referred to and may be cited as the "Utilities Commission Rules of Procedure."

SECTION 2. FINDINGS AND INTENT. The Utilities Commission, City of New Smyrna Beach, Florida (the "Utilities Commission") makes the following findings and declares the following legislative intent:

(1) Since its inception in 1965, the Utilities Commission has adopted, maintained, and modified rules establishing its own procedures.

(2) The "Utilities Commission Rules of Procedure" (the "Rules") have been modified fifteen (15) times since the creation of the original "Rules of Procedure" adopted September 1, 1965.

(3) The Utilities Commission elects its internal officers, which include a Chairman, a Vice-Chairman, a Secretary-Treasurer, and an Assistant Secretary-Treasurer, but neither the special act Charter nor general law set forth a procedure for filling a vacancy of an "internal" office.

(4) Section 4 of the 1967 special act Charter provides for an election of internal offices each September; but does not address what happens if there is a vacancy in one of the internal offices.
(5) Recent example, the member of the Utilities Commission who now holds the internal office of "Secretary-Treasurer" has resigned (on 3-12-19), leaving this internal office vacant.

(6) The current Rules now specify that the Vice-Chairman and Assistant Secretary-Treasurer fill the offices of Chairman and Secretary-Treasurer until such time as the Utilities Commission shall elect a new Chairman or new Secretary-Treasurer.

(7) The Utilities Commission now wishes to amend the Rules to permit the filling of any vacancy by an election of the Utilities Commission members until such time as the Utilities Commission shall elect new internal officers in September.

SECTION 3. AMENDMENT TO SECTION 4(1) OF THE UTILITIES COMMISSION RULES OF PROCEDURE. The Utilities Commission hereby amends Section 4(1) of its Utilities Commission Rules of Procedure to provide as follows:

"SECTION 4. OFFICERS AND THEIR DUTIES.

(1) Officers. At the first regular meeting of the Utilities Commission in September of each year, the Commissioners shall elect a Chairman, Vice-Chairman, Secretary-Treasurer, and Assistant Secretary-Treasurer from its membership. In the event of an internal office vacancy, an election may occur for the filling of the vacant officer position. This would be additional to the required annual election of officers in September.

SECTION 4. SEVERABILITY. If any provision or portion of this Resolution is declared by any court of competent jurisdiction to be void, unconstitutional, or unenforceable, then all remaining provisions and portions of this Resolution shall remain in full force and effect.

SECTION 5. REPEAL OF INCONSISTENT RESOLUTIONS. All resolutions and portions of resolutions in conflict herewith are hereby repealed, including but not limited to Resolution Nos. 9-65, 35-75, 3-83, 1-84, 4-89, 2-94, 3-96, 27-96, 42-96, 8-03, 15-04, 16-04, 8-05, and 2-09.

SECTION 6. EFFECTIVE DATE. This Resolution shall take effect immediately upon its passage by the Utilities Commission.
THIS RESOLUTION was introduced at a regular meeting of the Utilities Commission, City of New Smyrna Beach, Florida, held this 28th day of May, 2019, by Commissioner Davenport who moved for its adoption, which motion was seconded by Commissioner Griffith, and upon roll call vote of the Commission was DULY ADOPTED as follows:

CHAIRMAN

VICE CHAIRMAN

SECY.-TREAS.

ASST. SECY.-TREAS.

COMMISSIONER

APPROVED:

William E. Biedenbach, Chairman

ATTEST:

Secretary-Treasurer

APPROVED AS TO FORM & LEGALITY:

Thomas A. Cloud,
Utilities Commission General Counsel
AGENDA ITEM 1 - b.

☐ CONSENT ITEM
☐ NEW BUSINESS  FROM: General Manager/CEO
☐ OLD BUSINESS SIGNATURE: Joseph Bunch
☑ Reorganizational Item EXHIBITS: 2021 U.C. Regular Meeting Schedule / Calendar

SUBJECT: UCNSB Regular Meeting Schedule for 2021 (CY)

SUMMARY:
The last Regular U.C. Meeting in 2020 is scheduled for December 17 (Thursday).

Following the fourth Monday format, except for one month (December), the Regular U.C. Meetings would fall on the following dates in 2021:

January 25 / February 22 / March 22 / April 26 / May 24 / June 28 / July 26 / August 23 /

September 27* / October 25 / November 22 / December 16 (Thursday)

*Reorganizational Meeting

FUNDING SOURCE(S) N/A

RECOMMENDED ACTION:
A motion to approve the final U.C. Regular Meeting Scheduled for 2021.

GM/CEO Joseph Bunch

NOTE: ALL AGENDA ITEMS MUST BE IN THE GENERAL MANAGER'S OFFICE BY NOON MONDAY TO FRIDAY TWO WEEKS PRIOR TO THE REGULAR MONDAY COMMISSION MEETING.
# 2021 Regular U.C. Meetings Calendar

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**JANUARY 25 – U.C.**

- **01:** New Year’s Day
- **18:** Martin Luther King Day

**MARCH 22 – U.C.**

- **15:** Presidents Day

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**MAY 24 – U.C.**

- **31:** Memorial Day

**JUNE 28 – U.C.**

- **04:** Independence Day

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**SEPTEMBER 27 – U.C.**

- **06:** Labor Day

**OCTOBER 25 – U.C.**

- **11:** Columbus Day

**NOVEMBER 22 – U.C.**

- **11:** Veterans’ Day
- **25:** Thanksgiving

**DECEMBER 16 – U.C.** *(Thurs.)*

- **24:** Christmas Eve
- **25:** Christmas Day
AGENDA ITEM  2-a

☐ CONSENT ITEM  FOR MEETING OF:  September 28, 2020

☐ NEW BUSINESS  FROM:  General Manager/CEO

☐ OLD BUSINESS  SIGNATURE:  Joseph Bunch

✔ Public Participation  EXHIBITS:  Public Participation Request Form dated 9-23-20 and Subsequent brief description of request

SUBJECT:  Request to Appear - Donna Athearn

SUMMARY:
Pursuant to the attached, Ms. Donna Athearn has requested to appear under public participation during this meeting.

She is making a request to appear to enable a discussion longer than three minutes regarding her submitted subject matter of "Corbin Park Sewer System Plans".

RECOMMENDED ACTION:
Allowance of requested public participation and request to appear by Ms. Donna Athearn regarding "Corbin Park Sewer System Plans".

GM/CEO  Joseph Bunch

NOTE:  ALL AGENDA ITEMS MUST BE IN THE GENERAL MANAGER'S OFFICE BY NOON MONDAY TO FRIDAY TWO WEEKS PRIOR TO THE REGULAR MONDAY COMMISSION MEETING.
Ellan Fisher,

I have requested to speak to the commission on September 28th during public participation to ask for an agenda item for October to discuss plans for a future sewer system in Corbin Park Subdivision.

With increased flooding problems and continued growth in this area, a formal discussion for plans to place city sewer systems in the areas that surround the Turnbull creek estuary are needed and becoming a priority with many older septic tank and drain field systems failing.

This older residential area is within 1/2 mile to the Turnbull Creek. There are currently no plans in the next ten years to offer replacements to septic tanks and drain fields in this area according to state requirements with regards to the protected estuary and historic Turnbull Creek drainage system.

Please forward this information to your commission so that we can move forward for formal discussion in October.

Donna Athearn

Residents of Corbin Park

684 Corbin Park Road

New Smyrna Beach, FL 32168

(Office) 386-428-0838

(Mobile)386-426-3198
Status: Needs Attention

Submitted by Anonymous (not verified) on Tue, 09/22/2020 - 9:17pm

Notification of this form submission was sent to: efisher@ucnsb.org, dsimmons@ucnsb.org

Meeting Date
Mon, 09/28/2020

Subject Matter/Agenda Item Number
Public Participation

First Name
Donna

Last Name
Athearn

Street Address
684 Corbin Park Road

City
New Smyrna Beach

Zip
32168

Phone
3864263198

Email
southofthemouthcafe@msn.com

Business/Job Title
SOUTH OF THE MOUTH CAFE CORP/ Owner

Subject
CORBIN PARK SEWER SYSTEM PLANS

Staff Member You Have Spoken To

Speaking For or Against

Are you a UCNSB customer?
Yes

Representing
RESIDENTS OF CORBIN PARK & TURNBULL CREEK PRESERVATION

Comment
WITH ALL MANY RESIDENTS ARE HAVING FLOODING ISSUES THAT CAUSE A DANGER TO THE TURNBULL CREEK ESTUARY
AGENDA ITEM 3-a

☐ CONSENT ITEM FOR MEETING OF: September 28, 2020

☐ NEW BUSINESS FROM: Executive Mgr.

☐ OLD BUSINESS SIGNATURE: Debra Simmons

☐ EXHIBITS: Minutes of Regular U.C. Meeting Held 8-24-20

SUBJECT: Minutes of Regular U.C. Meeting

SUMMARY:
Presenting detailed transcription of public meeting minutes for Regular U.C. Meeting held 8-24-20.

(Note - Due to emergency declarations associated with COVID-19 and in accordance with UCNSB Resolution No. 2020-06 and extended by 2020-07 and 2020-10, this Commission Meeting was held virtually - via Webex, and with limited on-site public participation, by appointment to ensure accommodation.)

RECOMMENDED ACTION:
A motion to approve the minutes of the Regular U.C. Meeting held 8-24-20.

GM/CEO Joseph Bunch

NOTE: ALL AGENDA ITEMS MUST BE IN THE GENERAL MANAGER'S OFFICE BY NOON MONDAY TO FRIDAY TWO WEEKS PRIOR TO THE REGULAR MONDAY COMMISSION MEETING.
AGENDA ITEM 3-a

MINUTES OF REGULAR MEETING OF THE UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA, HELD MONDAY, AUGUST 24, 2020, AT 3:00 P.M., AT 200 CANAL STREET, NEW SMYRNA BEACH, FLORIDA

(NOTE – DUE TO THE CORONAVIRUS/COVID-19 DECLARED EMERGENCY THIS REGULAR U.C. MEETING WAS HELD TELEPHONICALLY – VIA WEBEX MTG. NO. 132 789 0894 AND WITH LIMITED ON-SITE PUBLIC PARTICIPATION)

To commence the Regular U.C. Meeting, Commissioner Conrad led in the Pledge of Allegiance and Chairman Biedenbach provided an invocation.

Roll Call:
Chairman Biedenbach then requested for a roll call to be taken:

Commissioner Richard Hawes (Absent – Out of State)
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; T. West, Director, Water Resources; M. Schings, Supervisor, Substation & Relay; E. Fisher, Communications Coordinator/Community Relations; D. Simmons, Exec. Services Mgr./Recording Secretary; General Counsel Thomas Cloud Esquire – Gray|Robinson Attorneys at Law; Anthony Hight plus two other technicians - Ant Farm Media; John Moss, a member of the public; and a few unidentified virtual participants.

(1) Agenda Changes, Additions and Deletions:

Chairman Biedenbach asked Mr. Bunch if there were any agenda changes, additions, or deletions.

Mr. Bunch indicated yes sir, one change, I’d like to propose that we move consent item h. to the New Business portion, for discussion rather than being a consent item.

Chairman Biedenbach stated under New Business, okay, and then confirmed there were no further changes, additions or deletions.

(2) Public Participation:

There was no requested public participation during this meeting.

(3) Approval of Consent Items:

Chairman Biedenbach then continued to consent items and asked the Commissioners if they had anything they would like to pull and talk about.
(3) **Approval of Consent Items (cont.):**

Commissioner Holcomb stated I have to pull i.; I have a conflict.

Commissioner Davenport stated I’d like to pull j.; i. and j.

Chairman Biedenbach stated okay, and then confirmed that Commissioner Hawes was not participating via Webex, wanted to make sure in case he wanted something pulled from the consent agenda. Then asked Commissioner Conrad if she wanted something pulled for discussion.

Commissioner Conrad stated no, I’m okay, thank you.

Chairman Biedenbach stated then I need a motion on a. through h.

Commissioner Davenport stated I’ll make that motion; specifically a motion to approve items a. through h. – 3-a. Minutes of Regular U.C. Meeting held 7-27-20 *(held via Webex Mtg. No. 132 417 5421)*, approve as submitted; item 3-b. Granted and Accepted Third Party Utility Easement (The Palms Phase 4 – Palms Land Holdings LLC), ratification of the acceptance of the third party granted utility easement by this entity for the stated project (an offsite utility easement) attached to this agenda item and hereby submitted to the Commission; item 3-c. Ratification – ITB No. 27-20 – Sugar Mill Drive 20-Inch Reclaimed Water Main Relocation Project, ratification of the award of contract to the lowest qualified bidder, Hazen Construction, in the amount of $348,500. Previous referenced overall project authorization for the General Manager/CEO to execute all associated project documentation, is ongoing; item 3-d. ITB No. 25-20 – Annual Chemicals / Water and Wastewater, approve award of this ITB for the annual purchase of water and wastewater chemicals for fiscal year 2021* to Odyssey Manufacturing Co. in the amount of $107,514, Allied Universal Corp. for $64,320, Carmeuse Lime & Stone, Inc. for $512,848, Tanner Industries, Inc. for $14,100, and Thatcher Group, Inc. for $10,700, for a total annual purchase amount of $709,482.00 (*includes extension option of three additional one-year periods upon mutual agreement; item 3-e. Camera Truck Purchase – Fleet Replacement Plan, approve award of the purchase of a Ford F550 Camera truck with Cues Camera equipment as described in the agenda item exhibit to Alan Jay Fleet Sales of Sebring, Florida (Sourcewell Contract No. 2020-120716 NAF), in the amount of $360,269; item 3-f. ITB No. 28-20 – Wood Pole Inspection and Treatment, approve the award of this ITB to Osmose Utility Services, Inc. in the amount of $100,000 to provide wood pole maintenance services for an annual contract for FY2021, with the option to extend this contract for up to three additional one-year periods upon mutual agreement; item 3-g. Supplemental Funding FY2020 – Pole Inspection and Replacement (Backlog) – External Contractor Support, approve supplemental funding of P.O. No. 00016004 – W.O. #20-UE118 for additional external contract support by Pike Electric LLC on the U.C.’s pole replacements backlog during FY2020 in a total amount of $200,000; and (sic) item 3-h. Amendment to UCNSB Purchasing Policies and Procedures Manual *(pulled from consent for discussion under New Business under item 1. above. Consideration actually occurred at the beginning of item 4. General Manager’s Report as shown below.)*

Commissioner Holcomb seconded this motion.
(3) Approval of Consent Items (cont.):

Chairman Biedenbach stated moved and seconded, and then requested for a roll call to be taken on the motion.

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

(3-i) Developer’s Infrastructure, Capacity and Inspection Agreement – Stewart Mitchell – S.R. 44 PUD – Mitchell Equity Group LLLP:

Chairman Biedenbach stated okay, i. first.

Commissioner Holcomb stated I have to pull this out for myself, I can’t be voting on that. I’ve declared and submitted the form with my conflict and so I won’t be voting on i., as I have a conflict with the project.

Chairman Biedenbach asked Mr. Cloud if that’s all under control, we don’t have to do anything else.

Mr. Cloud stated no, you don’t.

Chairman Biedenbach stated okay, all right. Then asked Commissioner Davenport for his comments.

Commissioner Davenport stated yes, on the Developer’s Agreement, reading through it, under the section, “Whereas the Commission will not review, consider, or sign any permit applications until DEVELOPER has remitted payment, in full, of infrastructure and inspection fees; “. And my thought, then you come…, and by the way on this one they’ve been deferred which is great for the Commission, but as a developer why can’t we do the inspections and read the plan and approve it before them having to give us a check. Why can’t we review it, because if we have a check, say you’ve got a developer handing you $50,000 or $35,000, then you’ve got 30 days to inspect and look at your plans, in here. This is a pretty good time, I feel that we should be able to do plans and inspections prior to making people provide payment. Can you help me out on that somebody?

Mr. Bunch stated I think that occurs Commissioner, but Jameson Parker is here today for Julie Couillard. Mr. Parker would you be able to speak on behalf of the development process on how the inspection occurs or would that be a specific item for water?

Mr. Parker indicated this would be more specific to water.

Commissioner Davenport stated based on that I’m okay and we can talk about this later, you know, because that could get into something and I can deal with that, but I just need clarity in my own mind.

Mr. Bunch stated okay, let me explain my own understanding and I think Tim Beyrle is familiar with it as well. So, we’re reviewing plans and giving developers feedback, and at this point in time they’re to a point where we’ve generally okayed their approach to what they’re going to build and provide to us.
Commissioner Davenport interjected conceptually.

Mr. Bunch reiterated conceptually, there may be some details to get ironed out. And then you say based on that, this is what you’re going to pay us. Fast forward if it’s a big development, let’s pick one, Coastal Woods out at Venetian Bay, and then there’s maybe twelve months sometimes when they’re building and installing the infrastructure. And then we do the inspections and we take over the ownership of that infrastructure on a final inspection. But there are a lot of reviews of plans and feedback that’s provided prior to them actually building the infrastructure. Then he started to request Mr. Beyrle to speak, but Mr. Parker indicated he could speak to this process.

Mr. Bunch requested Mr. Parker to come up to the podium and introduce himself.

Mr. Parker stepped up to the podium, addressed the Commission and stated he was the Electrical Engineering Manager here at the Utilities Commission. So I am a little familiar with the, I’m going to call it the review process in the overall scheme of things. I know that we review plans several times on the water and wastewater side, it goes to the City as well. What I wasn’t as familiar with is the order in terms of payment versus inspection. So I don’t have a lot of insight on the order of it, but I know that we review the plans. It’s something that we look at, we approve, and then at that point the developer will install. But in terms of inspection versus payment, that I’m not too familiar with.

Mr. Bunch stated payment precedes the field inspection because there’s often time passing where the plans are approved, and they actually install and then we inspect the infrastructure. The last thing, I think you call it final inspection when we actually take over the ownership of that infrastructure and then there’s a bond that remains in place for a period of time, a performance bond; I believe that’s correct.

Mr. Parker stated that’s correct, at least on the electric side, so I would imagine it’s the same for water as well.

Commissioner Davenport stated and I see where these fees have been deferred so, right now until they start.

Mr. Bunch stated so we’ve deferred the collection of the fees until we accept ownership and there’s a really good reason for that, Counsel Cloud is working with our staff on revising this developer’s agreement. There’s something called a rational nexus law, a term called rational nexus. There’s a period of time from which you collect that money until you actually, we then come back and spend that money on infrastructure; rough numbers is about ten years. And what happens is the way we were previously doing it we were collecting that as soon as we signed the Developer’s Agreement which meant there was a period of a year or a year and a half I just described, where they were planning and installing infrastructure. And we were holding onto that money and it artificially accelerated that ten-year time by about a year, year and a half before we could actually put the money into play. So when we come up with a new version of the Developer’s Agreement, we’re going to collect the fees on final inspection and then that gives us ten years from that point to we actually have to spend it. And it gives us a
(3-i) Developer’s Infrastructure, Capacity and Inspection Agreement – Stewart Mitchell – S.R. 44 PUD – Mitchell Equity Group LLLP (cont.):

more realistic rational nexus of time versus speeding it up by a year or a year and half for planning and installing it; Counsel Cloud you were working with staff on that.

Mr. Cloud stated actually my first involvement with this document was in 2005. I was hired as an outside consultant, I made comments on it, one which was on this section and they were totally ignored. Because I thought it was a little hard and we have as Mr. Bunch has indicated we’re working on a number of issues with regard to the agreement, trying to soften it. And I think you’ll be proud of it when it’s finished, but it’s not there yet, we have a lot of homework to do in getting to there and making sure that everything is in place.

Commissioner Davenport stated and that’s what I’m leading up to, I’m trying to word this properly. Make it as easy as you can because a developer doing that puts up so much upfront money everywhere. So whatever we can do in this in our position and of course the City, to make it a smoother and i.e., the money is what I’m referring to here. So that’s good, I’m glad we’re looking at it into the future and I’m happy with what I’ve just got here. Thank you.

Mr. Bunch stated thank you Commissioner, thank you Mr. Parker.

Chairman Biedenbach stated you want to go ahead and make a motion to approve Commissioner Davenport?

Commissioner Davenport stated yes sir, I make a motion to approve that – “i.” was it.

Chairman Biedenbach stated “j.”

Commissioner Holcomb stated I’ll second.

Chairman Biedenbach stated moved and seconded, Commissioner Conrad do you want to say anything?

Commissioner Conrad stated no.

Chairman Biedenbach stated okay, Mrs. Simmons please.

Mrs. Simmons requested clarification of the motion, approving both agenda items?

Chairman Biedenbach stated no, “i.” is…

Commissioner Holcomb stated I have a conflict, so “i.” has to be voted on without me.

Mrs. Simmons stated okay, so we’re doing “j.”

Mr. Bunch stated “j.” is the mobile substation, this was the Developer’s Infrastructure so that would be “i.”.
Chairman Biedenbach stated okay, so the motion to approve “j.” and then we’ll have to go back to do “i.” because you can’t vote on it.

Commissioner Conrad stated right.

Chairman Biedenbach stated okay then, let’s do “j.”

Commissioner Holcomb stated no, I’m wrong, it was “h.”, right Mr. Bunch?

Commissioner Davenport stated I wanted to talk about “i.”

Commissioner Holcomb stated no, “h.” was moved to New Business, I had it marked.

Commissioner Davenport stated regarding “j.”, I just wanted to get it clear to myself.

Commissioner Holcomb stated then that’s the motion, “j.” is right, my bad.

Commissioner Davenport stated do we want to do both of them?

Chairman Biedenbach stated just do “j.” it’s on the books, Mrs. Simmons would you do roll call for “j.” please.

Mrs. Simmons stated okay, can you give me who made the motion and the second; I’m sorry.

Chairman Biedenbach stated motion by Commissioner Davenport, seconded by Commissioner Holcomb.

Mrs. Simmons stated thank you.

Commissioner Davenport stated I think it’s “i.”

Mr. Cloud stated it is “i.”.

Commissioner Davenport stated it’s “i.” team.

Mr. Bunch stated Commissioner Holcomb can’t vote for “i.”.

Chairman Biedenbach stated let’s do it again.

Commissioner Davenport reiterated its “i.”

Mr. Cloud stated it’s the Developer’s Agreement.
(3-i) Developer’s Infrastructure, Capacity and Inspection Agreement – Stewart Mitchell – S.R. 44 PUD – Mitchell Equity Group LLLP (cont.):

Commissioner Davenport stated I make a motion we approve “i.”; specifically a motion to approve the Developer’s Agreement for Stewart Mitchell – S.R. 44 PUD – Mitchell Equity Group LLLP, and authorize the General Manager/CEO or his designee to execute all documents associated with this matter.

Commissioner Holcomb stated “i.” is the PUD that I’m in.

Mr. Bunch stated you can’t vote.

Chairman Biedenbach stated you can’t second it either; Commissioner Conrad, I need you to second it.

Commissioner Conrad stated she would second it, it’s for the Developer’s Infrastructure.

Mrs. Simmons commented she’s got it, it’s for “i.”.

Chairman Biedenbach stated motion made by Commissioner Davenport and seconded by Commissioner Conrad; please call the roll.

Commissioner Davenport’s motion then passed with a majority of the Commissioners voting yes. Commissioner Holcomb abstained.

Chairman Biedenbach stated okay, all right do we have your conflict of interest straightened out?

Commissioner Holcomb stated yes.

Chairman Biedenbach stated that’s straightened out, we can go on to the next one.

(3-j) Mobile Substation Rental and Installation for Smyrna Substation (Duke Energy Florida, LLC):

Chairman Biedenbach commented Mr. Bunch, get me out of this mess that I’ve put us in.

Commissioner Davenport stated the next one was “j.”, I pulled, wanted to know about the money. My question is the length of time, it looks like, explain to me $400,000 in a couple of months.

Mr. Bunch asked Mr. Parker if he was in the position to describe this project and what the costs entail? Okay, I’ll call Mr. Parker back up.

Mr. Parker came back to the podium and stated so this project is for a mobile substation. Essentially what that is simply a substation transformer that’s on some type of trailer. And what we’re needing it for, you mention approximately a month, and the reason for that is the existing transformer is in conflict with the work that needs to be done at the substation, and due to the timing of the work that needs to be done, it’s in the middle of summer. We cannot
(3-j) Mobile Substation Rental and Installation for Smyrna Substation (Duke Energy Florida, LLC) (cont.):

take an outage on that substation transformer at Smyrna and serve it from another substation such as Airport for example. So we have to have a mobile transformer to actually be placed there for a month long period to serve our electric customers. In terms of the costs we reached out to, I’m going to say, a handful of utilities and resources that we have and we ran into conflicts with I’m going to say electrically; trying to think of a good way to word it, basically they didn’t work electrically together. There are transformers that won’t work at this site that may be cheaper, but unfortunately the ones that do work for us they are in the $350,000 to $400,000 price range and ultimately that is what is best for this in terms of moving the project along, getting the substation built, and having a way where we can serve our customers from not only the Smyrna substation but ultimately we’ll have new circuits out of there and be able to back feed. To where if we do have outages, more quickly and reliably we can get power back to them.

Mr. Bunch stated so as to how I understand it Duke is going to move it, install, make sure it’s working correctly, and at the end of the project come back, take it out, take it back from whence it came; is that correct? So it’s not just the rental, it’s sort of a turn-key project, is that correct?

Mr. Parker stated yes, for the most part. We do have to ensure that our resisting, I’m going to call it protection works, but for the most part it is turn-key.

Mr. Bunch stated now these are pretty specific pieces of equipment, several million dollars of value and then again, it’s a lot of labor, transportation of it, probably requires special State and highway permitting I would imagine because of the size. And if we were to lose power and not have this mobile on site during that time, we could put at risk a lot of the territory because Smyrna being our main substation. It’s pretty touchy project and it’s got to be done pretty well flawless.

Commissioner Davenport stated thank you, I just needed to see because of four weeks and $400,000.

Mr. Bunch added it’s a lot of money, but it’s a very expensive piece of equipment on a very important part of our system.

Commissioner Davenport stated thank you. Then stated I make a motion that we approve “j.”; specifically a motion to approve the Mobile Substation Rental and Installation for Smyrna Substation in the total amount of $400,000, which includes the approval of Task Authorization No. 1 to Duke Energy Florida, LLC in the amount of $367,931, and authorization for the General Manager/CEO or his designee to execute all documents associated with this matter.

Chairman Biedenbach stated okay, I need a second.

Commissioner Conrad stated second.
(3-j) Mobile Substation Rental and Installation for Smyrna Substation (Duke Energy Florida, LLC) (cont.):

Chairman Biedenbach stated it’s been moved by Commissioner Davenport, seconded by Commissioner Conrad. Confirmed there was no further discussion and requested Mrs. Simmons to take a roll call vote.

Commissioner Davenport’s motion then passed unanimously on the roll call vote.

(4) General Manager’s Report:

Chairman Biedenbach stated now Mr. Bunch, please.

Mr. Bunch stated okay, the General Manager’s Report and then we’ll come back to item “h.”, or do you want to cover the item of New Business now?

Chairman Biedenbach stated well you said you wanted it as an item of new business, so let’s just let it go on with Mr. Chavez.

Mr. Bunch stated okay, so let’s do that.

(3-h) Amendment to UCNSB Purchasing Policies and Procedures Manual:
(Note – This item pulled earlier from consent items to New Business section under item 1.; then determined for consideration at this point in the meeting.)

Mr. Bunch stated so Mr. Chavez and Mrs. Pitcher worked on essentially an RFP and so rather than tell them myself, Mr. Chavez if you could talk us through it.

Mr. Chavez commented, and I have Mrs. Pitcher there for the heavy on the back up. So when I started here a year ago, Mr. Bunch and I looked at the investments funds we have here and we noticed that the expense ratios, and mind you other ones as well, we noticed the expense ratios on the pension plans that we have, ICMA and Principal, were rather high compared to what is currently available on the market. So based on that we did some additional research, we decided to, similar to our health insurance coverage, we looked at a broker, an advisor. Someone that would, that specializes as a fiduciary to us, to pick the best available options in the most cost-effective manner for the employees. So this is purely an employee benefit in the sense that we’re going to take those two pension plans, we’re going to merge them into one. We’re going to substantially reduce the expense ratios on all the funds. These funds, will have, based on work with the advisor, every quarter, every year, we look at are the funds at, are part of our selections, are they in the top quartile, and do we need to move things around. Which is much different than the way ICMA and Principal operates today. So this is a win-win for the employees and for us, we would work with one recordkeeper which is what this is. In essence we hired the advisor, the advisor already did the RFP in the sense of they went out to the seven most critical, sorry, seven recordkeepers and a couple declined. So we were able to get the best available options and then we had interviews with the top two, which we then selected the best one. This one that was selected as a part of the advisor RFP process is the number two recordkeeper behind I believe Fidelity. So they provide a well rounded one-stop shop for our employees. We currently have, all that as a background, that exception we’re saying, that recordkeeper process is excluded from the Purchasing Manual because the
(3-h) Amendment to UCNSB Purchasing Policies and Procedures Manual (cont.):

advisor, which we did through an RFP or RFQ, they’ve already done that process to provide us the best options. So they’ve already done, in essence, have done the RFP process, so hence we asked for an exclusion, so we don’t have to do it again.

Chairman Biedenbach asked Mr. Chavez how much did you save the employees by doing this for them?

Mr. Chavez stated we’re going from $151,000 for all employees for one year to about $45,000. So now the expense ratios on those funds will be more in line with what you’d see at a T. Rowe price or a Fidelity, and we’ll get the level of customer service that we need.

Commissioner Holcomb stated, and ever what access that the employees have or the level of service that they had with the other company will either stay on par or grow greater.

Mr. Chavez stated yes.

Mrs. Pitcher then addressed the Commission and stated a couple of points of clarification is our pension plan is not moving, our 457 plan and our 401(a) plan will remain two separate plans like that but we will have one recordkeeper rather than two recordkeepers. So in essence the plans that our employees have do not change, it’s the service that they’re provided that will be better than what they have today and they’ll be able to log into one site and see both of their plans, their accounts, on that one screen. Which means they’ll be able to manage their accounts better than they can today. So the actual meat of those plans is not changing the benefits, the employees don’t have to worry about is something changing with my contribution level or my match level or anything like that. That’s not changing, we’ll just be changing recordkeepers to provide them one, a better service and two, change to an open architecture fund line up versus what we have now where the fees are higher.

Commissioner Holcomb stated thanks, and added you did a much better job explaining that than Mr. Chavez did.

Mr. Chavez commented sorry I disappointed.

Mrs. Pitcher added it’s really more my area.

Mr. Chavez then added, I did focus on the savings.

Mr. Bunch stated so the reason we brought it forward on the consent agenda was also to let it be known publicly that Mr. Cloud was involved and he recommended an approach to say yes we can do that, we need to bring it to the Commission for discussion because the exception is not to go to another RSQ or RFP, the consultant did that for us. Then asked Mr. Cloud if that was it in a nutshell?

Mr. Cloud stated well, no, but it’s close. Anytime the Commission adopts a change in policy that applies externally that should come before you in a discussion item, not on the consent for it. For example, next month, Mr. Chavez has worked his butt off getting a re-write of your Purchasing Manual. It’s really good, he’s going to give you a very succinct description of it,
(3-h) Amendment to UCNSB Purchasing Policies and Procedures Manual (cont.):

with Mrs. Pitcher’s help at the next meeting. This was one that we could bring to you, I mean that too will come as a discussion item. Why, because it applies to people out there. When it’s an internal policy or a contract or something like that, yes, then it’s appropriate to put on a consent agenda. It’s just that when it’s a policy that is going to be applied externally throughout the service area it should be agenda-ed as a discussion item which is why it’s now before you like that. This is a very important exception. There are cases where it just doesn’t make any sense to apply procurement, it takes too long, it’s a very complex area. It took, you know basically two people to explain it. I’m still not sure I understand that, I just know that it’s somebody that keeps records, it’s not important that I understand it. What’s important is now that you have discussed it, you can go ahead and adopt it without further ado.

Commissioner Davenport stated with a savings of approximately $105,000.

Mrs. Pitcher stated well, and that’s just your one, it’s on their account balances, so as their account balances increase their potential savings will increase every year.

Commissioner Davenport stated I like the part where the employees can see them both at the same time. Then added as long as you’re happy, I’m going to be happy.

Chairman Biedenbach then stated is everyone happy with the explanation? Then added thank all three of you.

Commissioner Davenport stated which one was that, “h.”, you need a motion?

Chairman Biedenbach stated yes, I’m calling for a motion now to approve the financial status, is that, give me some words that I need.

Mr. Cloud stated the motion is to approve the resolution that creates a new exemption within your purchasing policy.

Commissioner Holcomb stated I make that motion; specifically a motion to approve Resolution No. 2020-11, amending Section 1 G. of the UCNSB Purchasing Policies and Procedures Manual, to add an exclusion from bidding requirements related to retirement plan recordkeeper and related retirement benefit services – said resolution shall become effective immediately upon passage.

Commissioner Davenport seconded the motion.

Chairman Biedenbach confirmed no further discussion and Commissioner Holcomb’s motion then passed unanimously on a roll call vote.

(4-a) Financial Status – July 2020:

Chairman Biedenbach stated all right, I guess Mr. Chavez you’re up again. Jokingly requested him to be a little more clear than he was last time, adding it was his last shot.
(4-a) Financial Status – July 2020 (cont.):

Mr. Chavez stated no, he gets it, he understands. Then commenced his presentation entitled “July 2020 Business Performance Results”. Went to slide one and stated so for July month-end, change in net assets of $1.1 million. July year to date we are at net assets of about $2 million. Lower revenue because of the fuel adjustment charge that we held off on for May and June, non-operating expenses with the bond issuance costs, and then lower capital contributions. And those are, the capital contributions as we discussed previously are really around the timing. When these developments are finished, they transfer from them to us, we record them as assets, at least the underlying infrastructure. But we’ll go through the waterfall slides in the next couple as we go a little further. Year to date capital expenditures $9.3 million, so a million more than the month before, and really, it’s just a continuation of what we’re doing on the annual projects, around new services, pole replacements. We are still seeing year over year customer growth so that continues, and the volumes and the usage are still running pretty high. Major projects, Smyrna Substation, Sanitary Sewer Systems 10 and 11, and South Riverside Force Main Replacement.

Mr. Chavez went to the next slide and stated on your handheld copy there, metrics really well. If you look at the purchased power, Mr. Beyrle and his team, we’re at $41.42 July year to date, so that’s almost $6.00 lower than this time from the prior year, so that’s 12.4% down; so that continues. And actually one of the items we’re working on, we’ve formed an adjustment to purchasing policies and procedures, that will be another thing that will come to you in the next couple of months. In essence formalizing what we’re doing, really the formalization of it and stressing the reviews and the levels of the review around those processes, because that is a substantial chunk of our operating expenses. If you go further down on the volume side of it, so you’ll see there electric sales, slightly up over the prior year, commercial a little down from prior year but that’s understandable with everything going on, but overall electric usage up. Water, wastewater and reclaimed, those are up. Of course reclaimed continues to be up year over year. And then on the customer side, the customer growth, 2% on electric, water 3.1%, (wastewater 3.7%) and reclaimed 18.4%. So the items that we, our operational drivers, are still where we would like them to be at.

Mr. Chavez went to the next slide and stated so on the operating income. This is a reflection of the controllable. When we look at, all the way to the right, we’re at an $846,000 loss from an operating income standpoint but the largest drive of that really is the fuel charge set to zero, so that’s $1.6 million. And the depreciation and amortization, which is a non-cash item. But we had, of course, other things that offset those negative items, we continued to have $492,000 on revenue increases. So that’s just additional usage and such that we’re seeing in the volumes. On the purchased power side, net purchase power favorability, even after the over recovery, so we still see those. We did have the one time on AT&T of $275,000. And then on the operational expenses side you’ll see that we’re in essence flat year over year. So on our items, labor, expenses, the direct day to day stuff we are in essence flat from the prior year - $25,000. So that’s a really good accomplishment by the team and just a really good continued effort because that’s the one item that all of us can control. We can’t control the revenue, and the fuel charge, well that was COVID.
Mr. Chavez went to the next slide and stated on the change in net assets. So from the net assets standpoint this is where, the contributed capital, once these developments are complete that infrastructure gets transferred to us, we then record them as assets. So we were at $12.9 million last year this time, we’re now at $2 million. The biggest drive of that realistically is the $8.3 million drop in the contributed capital. And that, based on discussions with Ms. Couillard and Mr. Ho and others, it’s really just that. And looking at our numbers, for example last year, Coastal Woods, Palms 2B, Riverwalk Condos; those are developments that were completed and transferred over to us last year. This year it’s a lot smaller, it just is – Palms 3B and 4 is just one of the large ones to note. So that when you look at a net asset’s standpoint that’s the largest driver. And then the other aspects of it, or in essence the other components of it are the same as the operating income. The only one additionally on the net assets side is the Series 2020, the bond issuance costs of $752,000, but that’s a one time thing that we won’t see going forward.

Commissioner Holcomb stated when we bring the asset onto the balance sheet, and I’m just referring back to what they said a little bit ago, on the nine years or ten years. What is it the first time where you see, we’re talking about scheduled maintenance like at the last meeting where you say okay, we’re going to acquire this asset, put it on the balance sheet. Then from that point, the maintenance, upkeep whatever it is the expensed dollars, is it ten years or five, what is it?

Mr. Chavez stated well, so, and mind you in the first year anything…

Commissioner Holcomb stated it’s the bond.

Mr. Chavez stated right, the first year they’re on the hook for those first 12 months, after that it becomes part of the normal maintenance cycle. In essence we absorb it and then regular PM’s and CM’s are done on that. So we’re responsible from the electric and/or water side to take care of those assets. But as far as when does the…

Commissioner Holcomb stated but is it an expense we identify or is it just when it happens it happens.

Mr. Chavez stated well, it’s just part of the normal routine item. Since it’s newer, more than likely there will be less maintenance, as it gets older it will probably require additional maintenance.

Commissioner Holcomb stated right, the reason I’m asking, what’s that threshold, is it the ten years before you’re probably looking? Because again it seems to me, and it’s a question, it’s more informing me. Because if I acquire an asset that’s going to have an expense, say in five years or four years, then does the, you know the expense part of that, is it accounted for. So when we bring the asset in, then.

Mr. Chavez stated it would be, so…

Commissioner Holcomb stated because when we acquire more assets then the charge, that expense is going to go up.
(4-a) Financial Status – July 2020 (cont.):

Mr. Chavez stated so what happens is as that maintenance, as folks go out there and things get replaced, it gets expensed as it occurs. So it isn’t an automatic, it’s just we know. I think with the grid mod, what we talked about a lot, of these asset management systems that we’re looking at, you put that in and then you start putting that on a schedule. You need to do a preventative maintenance task or a corrective maintenance task, that’s when you would get a better idea of that because we would start to track it that way. So there really isn’t a magic, I guess a known when.

Commissioner Holcomb stated these assets are pretty common and pretty similar so it seems that there would be a management part of this on life expectancy because we’ve talked about it and again, I’m grabbing bits and pieces from all, a bunch of different conversations. That we’ve talked about, okay we’re going to acquire this asset, assume the asset, don’t acquire anything. You assume the asset, we have the one year, and then we have a period of time that maintenance which we’ve talked about in the meetings. That if they’re common assets with a life cycle that’s determined, we’ve talked 30, 40 years, whatever it is, that it seems it would have some sort of expense timeline or impact, considering they’re all pretty common assets.

Mr. Chavez stated true.

Mr. Bunch stated kind of the simple version is if it’s a type of assets that we perform routine maintenance on, inspections, it becomes part of that program cycle. Lift stations get visited very regularly on the water side, backflow preventers they get inspections. Other than that, as you explained Commissioner if it’s a new asset it shouldn’t fail and then it’s going to be on a fix it if it breaks. But if it’s an asset that we perform inspections on it gets rolled into whatever that cycle is, anything else we’ll fix it if it breaks.

Mr. Chavez stated exactly, and that’s when we would incur the expenses if it does require more than just a visual inspection, then it’s incurred at that time which ideally should be… Well, if it’s in the 12 months on them, if it’s after the 12 months then it’s on us. Does that address that?

Commissioner Holcomb stated no, like I said it was we’ve talked about a lot of this in different spaces in the last couple of years.

Mr. Chavez stated I think what will tie it together more formally is when we do the asset tracking and such, because then we put them in there and then you start having scheduled PM’s and CM’s as part of the regular, of the asset life cycle.

Commissioner Holcomb stated right.

Chairman Biedenbach stated going to the asset side of it, let’s just isolate the water side. As you get a million dollars’ worth of water assets, $2 million, $3 million, how do you watch your maintenance budget on those ones for the breakdown. Not for the periodic change of checking the backflow preventers or whatever. But if you’ve got a million dollars’ worth of this stuff, you’ve got 2% of it that is breakdown maintenance. And then when you get $2 million of it, you get 2.1% or 2.3% or are we still at 2% for breakdown.
(4-a) Financial Status – July 2020 (cont.):

Mr. Chavez stated so the way we look at it is, for example on the water and wastewater, we look at the number of lift stations, we look at the various, as we add more of those, that just gets factored into their budget development. So for example, when Mr. Hoover was here, he would sit down with his guys and go through okay, here’s what the performance, here’s what we did last year. They do look at the growth, the escalation of costs, but they also look at specifically the number of stations, number of different…

Chairman Biedenbach stated age.

Mr. Chavez reiterated age, age is a huge one, and then that’s where they start. They submit a budget and the sense check that we put on our side of the house is that if there’s a substantial jump year over year in that budget but there really wasn’t a substantial change or increase or additional increase of assets, that’s when we would push back. But as they, over time, as we inherit more of these assets, then our budgets do go up. So FTE’s, labor’s one of the largest components, in addition to purchased power, but then we’re also looking at, for example in the water and wastewater sludge, disposal of the wastewater sludge – we’re looking at all those things. And that’s what will determine it, it’s volumes and then the assets that we’re adding on. But it’s more of, here’s what I had last year, here’s how I went up or the increase in assets this year.

Chairman Biedenbach stated and then we see an increase in the maintenance budget as we get older on our assets.

Mr. Chavez stated yes, that’s exactly it.

Chairman Biedenbach stated are there numbers in the industry that we should be targeting against?

Mr. Chavez stated well, what we do is on the KPI’s that we analyze, we do look at our O&M, I believe it’s O&M per customer, for water, wastewater, yes, pretty much all the segments. So we’re looking at those and we look at versus budget and versus our peers. And on water I know for sure that we’re well under our peers.

Chairman Biedenbach stated okay.

Commissioner Holcomb stated and the reason I ask that is if you take the maintenance schedule that we had, which we think we’ve discussed wasn’t really you know, and now you apply a new standard, there’s going to be…

Mr. Chavez stated yes.

Commissioner Holcomb stated that’s all I’m saying, rather maintain the dam than repair the dam.

Mr. Chavez stated yes, so that’s the thing, to your point, as we do more of these proactive and start to do, follow a more rigorous asset maintenance system, yes, you’re going to…
(4-a) Financial Status – July 2020 (cont.):

Commissioner Holcomb interjected, going to carry some expense with it.

Mr. Chavez stated yes, in ours, on the inspection side it will be labor, but to your point when as we migrate to that model, that’s where we’ll start to incur. And of course we’ll give you advance notice as we look at those items. But right now what we’re looking at is existing footprint, what are the additions that we’ve made and then look at it from that side.

Commissioner Holcomb and the only thing I ask is around budget time is when we see that coming versus the Thursday when we get the agenda and then the Monday vote; we’re talking about time frames.

Mr. Chavez stated yes, well for example in the 2021 budget, we looked at everything that we had, we made sure we scrubbed the numbers, we looked at the number of incremental FTE’s that we had and we skinny-ed that back just from the standpoint of we’re able then to operate our existing footprint with the existing. We couldn’t even hire all of these folks even if we wanted to, so we took back some of the budget. The sludge disposal of the lime, the pool that they cleaned out, we don’t have that so that was a budget savings. So we’re looking at that and as we learn more and transition to this, we’ll be able to fine tune it better. But to your point, if you do more PM’s there’s going to be some incremental increase. But ideally, you’ll have a better maintenance history and longer life of the assets if you’re doing the right steps.

Commissioner Holcomb stated but when we transition, we’re going to see an increase, it’s inevitable.

Mr. Chavez stated you’re right. He then confirmed there were no additional questions.

Chairman Biedenbach stated thank you.

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

Mr. Chavez continued and stated, so change in net assets, we went through that, good story overall in that we’re controlling our operating expenses. He then went to the next slide and stated so KPI’s, Safety and Risk, no OSHA, no motor vehicle accidents or 3rd party claims in July. We did have a couple of small ones in August but those will be in the next month’s meeting. Electric reliability, SAIDI, month year to date green. SAIFIE is red, and SAIFIE is frequency of customer interruptions, so that’s just we had a more active storm year. I’ve seen it myself actually, so that’s expected to be red at year end forecast only because we’ve just had that many more customer interruptions. CAIDI is duration, that’s still positive or green for the year or expected to be. Water Resources metrics are green and Customer Service green, so for those we’re keeping our metrics in the right, either green or best in class without a substantial increase in operating expenses.

Commissioner Holcomb stated can I ask, you said on electric reliability, you said more active storm year, and we talked about this at the last meeting, was it doesn’t necessarily mean named storms or whatever, it’s basically…

Mr. Chavez interjected lightning.
Commissioner Holcomb stated okay, all right, so again just for clarification.

Mr. Chavez stated no, you’re right, it’s not named storms it’s just more storm…

Commissioner Holcomb continued, because people are going to walk away and say well, we didn’t have named storms. In the last meeting you guys said no, it’s a bad afternoon with high winds and tons of lightning, that’s it, okay.

Mr. Chavez confirmed and stated that’s exactly it.

Commissioner Holcomb stated I just figured that out, I’m good.

Mr. Bunch stated if you jump back to meetings we had a couple of months ago, where Ms. Couillard presented the reliability improvement plan about this area, that area, those will be implemented over the next three years. We should see definite work down in improvement of electric reliability. Honestly, we’ve only done a little bit in terms of some last year to make improvements, those were outweighed by the frequency of storms this year. When you’ll see the big difference is when the electric feeders are segmented and then when an outage occurs it’s only a couple hundred instead of say 4,000 as we’re seeing some outages today. We will have Ms. Couillard provide like an annual update on those plans as we move forward. But we’re only off by a little bit regarding that goal. It’s not like we’re in a 2.5 to 3 interruptions per customer that we were seeing five years ago. I think it’s 1.5 or 1.41 in terms of projected end year performance and our goal.

Commissioner Holcomb stated as we work through those and we start to see those improvements, that’s one of those things on social media, communications, that we kind of bring the customer along with us in our communications on the improvements.

Mr. Chavez stated and the good things about those improvements that we’re doing, initially those are capital, putting in those reliability, resiliency improvements are capital. But once again the O&M will go up once you start to have to maintain them. But it will provide positive impact to the frequency.

Commissioner Holcomb stated right, they give us the car, not the gas, the oil, and the maintenance.

Mr. Chavez continued, Materials Management green, no issues there, H.R., Ms. Pitcher could probably explain this better than me; just kidding. Average time for recruitment is green, so we’re under budget by 16, we’re actively recruiting for seven. So in essence the 2021 budget, that’s what we talked about, where we added the right amount of FTE’s, or headcount, we didn’t add in all the extra open positions that we didn’t have line of sight to fill. I.T. side, cybersecurity participation still remains high and that’s green. And then just a touch base now that we’re past the disconnects, we’re back in the normal collection process and we’re seeing now receivables and collections historical pre-COVID, I would say normal in the sense that our collections and receivables are in really good shape.
(4-a) Financial Status – July 2020 (cont.):

Commissioner Holcomb stated and that’s encouraging for the economy, that’s good news to hear.

Mr. Chavez stated yes, and I think that some of our peers aren’t faring as well, but I think they might have given longer dispensation on the disconnects. But like we had indicated if you give enough rope out there somebody will…

Commissioner Holcomb stated no, when I meet with the banks that’s one of the things we look at is delinquencies in the short term.

Mr. Chavez stated yes, we’re in pretty good shape but of course we monitor it, Mrs. Woods and her team issue a weekly update on the status of it. We’re monitoring it, we don’t want to get back to that level.

Mr. Bunch stated that was one, to me at least, has been a pleasant surprise and I think it has a lot to do with the demographics in this area. Our demographics to income, the finance guys looked at this when we were going for bond financing, slightly better than the surrounding County and about on average with the State. What that means is we’re a lot better than a lot of our municipal peers and I’ve talked with several of them in email and in person. Some of them are struggling with this where unemployment and a lot of folks not having means. I think we have a lot of folks in this area that are on fixed income, retirees that came here, brought money, probably in a better position than a lot of our peers. With that said, Mr. Chavez’s team has also worked with customers one on one putting together payment plans that help keep them in service and then work down whatever backlog or delinquent, they might have accrued. So that money at risk right now is really, really low and I think you’d be surprised.

Mr. Chavez stated as of right now we’re back to historical levels, meeting collections and the amount of over 90 days is pretty much what it was before. Because you always have some, that’s just the nature of the business, but relative speaking we’re really low, good.

Mr. Bunch stated between 2009 and 2011, we had years where we had $200,000 to $400,000 write-offs. Right now that money is down in the handful of $1,000’s that’s at risk. So could it balloon if the economy went south, sure, but right now the teams done a really good job of working with our customers to keep them up to date. Again, pleasant surprise, very surprised.

Mr. Chavez stated, and we keep an eye on it so if it starts to turn south we’ll definitely have a line of sight and keep you updated. He then stated that’s everything, the only thing I have is, as Mr. Cloud indicated we’re going to present the Purchasing Manual, the revisions. Definitely a long time coming but I think it will be good, it’s a good product.

Chairman Biedenbach thanked Mr. Chavez for his presentation.

(4-c) Mutual Aid Invoice – Hurricane Dorian:

Mr. Bunch stated he was going to ask Mr. Chavez to stay at the podium. So the last item I have on the General Manager’s Report is a mutual aid invoice. So in the electric business,
 mutual aid world, there’s a lot of agreements that take place with phone calls, emails, and of course when you’re prepping for a hurricane that stuff happens very quick. Last year as we were preparing for Dorian, a day or two before the hurricane passed, as you will recall, it was projected at some point for us to be head on, ground zero for a cat. 3 maybe 4, hurricane. Fortunately, thank God, the hurricane passed, it veered east and north of us, turned out to be a tropical storm. Well, the day before it was thought the hurricane would hit us, the industry knew that Orlando was going to be okay. They had some extra crews from Omaha, Nebraska and Mike Mines reached out through FMEA and they were made available to us. We brought them on, we did the clean up that day and everybody left. So we had about 100 people in various areas working to support us. There’s a requirement, contractual requirement that in 60 days of that occurring you get invoiced and then there’s a period of time that we had all through the end of April to submit all of our expenses to FEMA. Well, one of the utilities didn’t submit that, so there was probably I’ll say two sides of that blade. One was yes, they didn’t submit it but the other was we didn’t reach out and say hey guys, why didn’t you submit the invoice to us. So we missed the window to submit that as a potentially FEMA reimbursable expense. Now bear in mind we don’t always get reimbursed by FEMA but to have consideration for it you’ve got to submit. So they submitted invoices to us somewhere in the range of $150,000. Mr. Chavez’s folks have looked at it, don’t think it’s quite that much. But my recommendation is that we would, this is one of those things where if there’s a contractual ability to not to have to pay something and there’s a, in my mind, a morally what’s the right thing to do. I think in this case it falls in the case of the latter. Had they submitted the bills on time, we would have incurred it as an expense this year, we would have submitted it to FEMA with the possibility of being reimbursed by FEMA at some point in the future. My recommendation is we’ll have some leadership discussions with them, try to pay it before years end with the recognition that there’s probably no chance that we would get reimbursed by FEMA at some point in the future. But it was a real expense to us, we reached out, we asked for the help, they made themselves available. Yes, they didn’t submit to us as they should have but I don’t see the legal ability not to pay that bill as a reason for us not to pay as an organization. And I think if we didn’t and you’re Omaha, Nebraska and Florida reaches out again and this is at the state level, so if FMEA reaches out to them and says can you provide bodies their likely response will be well why would I do that, Florida didn’t pay us the last time, rather than New Smyrna Beach avoided what I would say is a real expense. So again, the reason I bring it here is I could approve this, not bring it to you, but I wanted to let you know some discussion that’s going on real time and my recommendation would be that we work with them through Mr. Chavez’ team, figure out what the right numbers are and reimburse them. So I’ll pause there if anybody has any questions.

Chairman Biedenbach stated Mr. Bunch, is the $150,000 from Omaha, is that what we’re talking about.

Mr. Bunch stated that’s the one that you and I discussed a couple of weeks ago.

Chairman Biedenbach reiterated a couple of weeks ago and then added is there an area that we can discuss this thing. Have you guys discussed this with them, is $150,000 the right number or..? If I remember right, we were talking about not very long and $150,000 sounds fairly steep to me and I don’t know anything.
(4-c) Mutual Aid Invoice – Hurricane Dorian (cont.):

Mr. Chavez stated exactly, so what we’re doing is we’re reviewing it, we’re going to come up with a number that we believe is representative of what they, because in all truthfulness I believe they landed in Deland and then they just went back to Omaha. So that’s what we’re going to look at, realistically what is their, you know, the travel back. Because we did authorize them to come here it’s just that the way things worked out, they were gone within…

Mr. Bunch stated they billed for probably four travel days, four and a half travel days and we think maybe they lost records and it’s probably two and a half or three.

Mr. Chavez stated right, exactly.

Commissioner Davenport stated I had just came home, was going from Virginia over to Tennessee and I’ve never seen so many utility trucks, I mean just trucks and trucks. And then I pulled in there, having barbecue and everything and I was thinking about this exactly right here, coming down here. But can we negotiate that, I mean like you said…

Mr. Cloud stated of course you can, Mr. Bunch is correct, we discussed it. You have absolutely no legal obligation to pay it. I will share with you, big case we had for Bushnell, we hired an expert for valuation. They ran $40,000, failed to get us a bill for a year and a half, finally got it to us and we forwarded it on to Bushnell. Bushnell paid every dime of it, why, because they did the work. In this case, Mr. Bunch is absolutely correct, there is a foundational integrity that has to remain in these mutual aid agreements and so that’s why he’s asking you for the flexibility to reach out to them and reach an accommodation; correct?

Mr. Bunch stated better said, yes.

Commissioner Holcomb stated I agree with that, I don’t, like you said the work, we called them, they came, that’s easy. And because you have a legal standing doesn’t mean you exercise it; I always want to have conversation and be able to work it out amongst ourselves to solve it. You know legal standing, for me any way, it’s the right thing, we want to do the right thing. My internal question is, you know again, these things move fast, people are coming down, we’re going through our normal day and then boom we hit this and then we completely all just jump off what we’re doing and just go deal with us. Is there a better organizational, I mean this would have jumped out at us, like from… This is a company, they came in, we have no bills submitted.

Mr. Chavez stated yes, so that’s what we talked about internally in my area and along with Mr. Mines and Mrs. West, we’re going to double check that we’ve got every invoice. If there’s somebody that hasn’t, we’re going to follow up with them. We’re going to follow up once, it’s 90 days, we’re going to follow up within that 90 days and hey, if you don’t put it in, we’re not going to pay it. I mean we’d state that, that’s contractually but we will put a tickler in there to follow up with them to get this invoice next time. Double check the list and call every single one of them.

Chairman Biedenbach stated we’re going to do some of their work for them so that we don’t end up in discussion.
(4-c) Mutual Aid Invoice – Hurricane Dorian (cont.):

Mr. Chavez stated exactly, because technically, I mean, you know.

Mr. Bunch commented people don’t usually forget to bill you.

Mr. Cloud commented surprisingly they do.

Commissioner Davenport stated I’m glad to hear that you’re putting these procedures in place and a checklist. It sounds like to me it’s just an honest mistake here, we all make them.

Mr. Chavez stated and to Mr. Bunch’s point, if we don’t, this is a messy situation on both sides because shame on them for not submitting the invoice, I mean it was so late it was past FEMA submission; it was, it was the beginning of July. But at the same time, we don’t want to be that municipal that it looks like we don’t hold up our end of the bargain.

Commissioner Holcomb stated no, I think that if we communicate prior to the submittal that there’s a consequence of the non-submittal, then it’s a little easier to stand here and go yes, I want to be your partner but you can’t leave me in the weeds either. And I think to have that communication, that we can stand there with these folks and say listen, we notified you on this date, we notified you on this date, here’s the final letter, right. And then it’s easier to have that conversation of negotiation versus we didn’t call you either. So, and I’m okay with that, listen, it’s just one of those things, we made a mistake, a partial or whatever, but we remedied how it’s slipped through the cracks.

Mr. Chavez stated in talking with the folks this has never, everyone’s always submitted, there’s been never.

Commissioner Holcomb stated well yes, right, but like I said you don’t know what the circumstances are in Omaha, if they’re good or bad, we can’t, it’s just the way it is. You say it won’t happen; it’s going to happen.

Commissioner Davenport stated do we need a motion on this?

Chairman Biedenbach stated let me ask another question before we do that. Can we lean on FEMA at all or is FEMA standing on…

Mr. Chavez stated we already looked at that, that ship has sailed, it’s the Titanic; we’ve already gone down that path.

Chairman Biedenbach commented FEMA said don’t bother us.

Mr. Chavez stated yes, they will not consider it. We reached out to them, they were like once that date goes, it is done. We’ve already gone down that path.

Mr. Bunch stated if there’s any consolation, for the same storm FPL incurred $272 million in costs because they absolutely had damages. We were at least at the point on that storm curve that we got the tropical storm and about half of our customers were out of service and Mr.
(4-c) Mutual Aid Invoice – Hurricane Dorian (cont.):

Mines and his team did a great job in getting them all back in service quickly. And that group of trucks that you saw going up and down I-95 was a huge group of trucks for them last year.

Chairman Biedenbach stated so what you’re telling us is you guys are going to try to negotiate and you’ll come back to us when you figure out a number and you’re going to do that after this meeting, so I won’t have to vote.

Mr. Bunch stated we’re going to negotiate, then we’ll approve a payment and advise you on how much that was next month.

Mr. Chavez stated so it will be on us, we’ll communicate with them and get a resolution.

Chairman Biedenbach thanked Mr. Chavez and Mr. Bunch.

(4) General Manager’s Report:

Mr. Bunch stated just two real quick items while I’ve got the General Manager’s Report. So there’s a card, I don’t know if everybody has one but on the 28th at 10:30 a.m., Mrs. Pitcher and team organized a building dedication and retirement lunch for Dave Hoover, our prior Director of Water Resources. We’re going to start it at the Dechlorination Building over on the North Causeway and then come back to the Brannon Center down the street for a quick lunch. If you’re available it starts at 10:30, if not, it’s not a mandatory event. But this is a follow up to the UCNSB Day last year that Councilwoman Denys did for us in Volusia County and I believe she’s going to attend the event and be a part of the celebration. And at this point it’s been over 11 years since the U.C. has discharged any treated effluent into the river and that’s part of the reason of dedicating that building to Mr. Hoover because he was such a large part of that success. So if you’re available, we’ll provide additional information if needed, we’ll get Mrs. Simmons to send something out if we haven’t already to the Commissioners.

Commissioner Davenport stated I’ve got to make an observation on that, for us that live on the river and have a crab trap. Been there for a long time and years ago I got some crabs there and ate them. I don’t want to tell you, they just tasted horrible, you couldn’t eat them. I got some not long ago and they were so sweet, it’s all because of that right there, you can tell the difference.

Mr. Bunch stated I believe it, I walked down there today and I saw people crabbing. So we’ve got that item. Thanks for your comments Commissioner. And there was one other item, slipped my mind, and then stated I know what it is. So today is Chairman Biedenbach’s last meeting, tomorrow the City Commission will elect (sic appoint) a new Commissioner for us. Next month we will have the Mayor here to swear in the new Commissioner. And then also in September, that’s our annual election of officers and we will elect the new Chairman, at least the Commission will. Then he stated that’s the last thing I had.

(5) Commission Counsel’s Report – General Counsel:

Chairman Biedenbach then stated Mr. Cloud, what do you have for us?
(5) Commission Counsel’s Report – General Counsel (cont.):

Mr. Cloud stated well, a couple of things, the trial will be starting soon on Hypower. There will be some depositions of former employees and there will be virtually no exposure for us at this point. Working on the Interlocal Agreement, expect to have something out in the next couple of weeks to you (U.C. Commissioners) to look at before we send it out. We are close, Mr. Chavez has been negotiating with AT&T and we’re very close in working out a Joint Use Pole Attachment Agreement. Understand that back a few years the Commission adopted a Joint Use Pole Attachment Agreement. These are unusual agreements, they’re not something you normally do as a form because the only time you use them is when you’re making an agreement with someone who owns poles, which means the phone company, right. The vast majority of pole attachment agreements are pole attachments where people want to attach to your poles. The Joint Use, really it works out where you do mathematics, you do an inventory and whoever has the most poles gets to charge the pole charge right. So we are in the process of working on a pole attachment agreement which you didn’t have for those that also don’t own poles. We’re very close to that, I’ve been working with Ms. Couillard and Mr. Chavez. And we set up the fee to what Mr. Chavez has determined it needs to be which means it will be tied to the, you know, the ratchet up provision indexing based on the CPI. So we’re making a lot of progress there, the rates are under work and they’ll be some things we’ll have to work at on there; that’s where it should be. Williamson Boulevard, we’re making progress on the alignment. We’re working out, the Engineering staffs are, to find something that doesn’t quite impact as many wetlands but also leaves the site that you need for the construction of campus. And it’s just taking a little work there and maybe a little recognition on the part of the County staff that, you know, they need to be a little more patient. There are no suits on the horizon. But there is one last thing I want to share with you, it happened about 20 minutes ago, the judge has ruled that the DOE order is unconstitutional. So the order opening Florida schools has been struck by a circuit court judge. The only reason I bring this up to you is to say that public health is a huge issue, it cuts across everything. That’s a part and parcel of what you do every day when you work with this and it’s very important how we do it, the standards that are applied to us. Because the judge cited in the CDC ruling that 5% is the safe percentage and he based his ruling on that, so science does matter. What you do, what your staff does, does matter. And then concluded by stating that’s all I have to report.

Commissioner Holcomb added, and good data.

Mr. Cloud stated absolutely good data.

(6) Old Business:

There were no Old Business items for consideration.

(7) New Business:

Chairman Biedenbach confirmed with Mr. Bunch consent item 3-h. was completed. *(Discussed and approved at the beginning of the General Manager’s Report.)*

(7-a) Healthcare Renewals FY2021:

Chairman Biedenbach then went to the next item – Healthcare Renewals.
(7-a) Healthcare Renewals FY2021 (cont.):

Mrs. Pitcher addressed the Commission and commented you’ve got to love this time of year, right, healthcare renewals. So with everything except for medical we have a zero percent renewal or a flat renewal, so no cost increase to our employees or the U.C. on dental, vision, life, disability, supplemental or flex. Our medical coverage is a different story, unfortunately this year we had some really high claims and I can’t go into any details about what those claims are because of private health information but in reviewing what those are it’s not anything that we could have educated on or health and wellness that we could do to, you know, bring those down. They’re unfortunate situations that our staff have had to deal with throughout this year. It’s caused our MLR or our medical loss ratio to be at 126% this year which means that Florida Health Care paid 26% more in claims than we paid in premiums. So our average MLR is about 70 something percent, last year it was 54.1%, so we’ve never had a high loss ratio like we have this year. And hence, why we never had high renewals up until this year. So originally Florida Health Care had projected a 27% for us, we went to the market, and because of our claims everyone DQ’d us or they declined to quote. So we went back and negotiated with Florida Health Care quite a few times. We were able to get down to 19% for this year with an agreement we would not go to market next year and put a 20% cap on next year. Now I want to clarify why we would want to do that, because in looking at the high claims we have this year we’re projecting that those are not going to go away in the next year and they might increase or they might stay where they’re at. So we wanted to put a safety net first of all, if they stay like that we know we’re going to get DQ’d again, so we’re not going to be able to go to market anyway next year. Second of all, we don’t want next year Florida Health Care to say well, we gave you a lower increase this year so we’re going to jack it up next year, which is why we put that cap on there. So 19% this year with a 20% cap next year and an agreement not to go to market. Now before I get a million phone calls after this meeting from all kinds of employees, to put into perspective what 19% actually looks like, because the Utilities Commission has a very large cost share with that, with our employees. So for us, we’re looking at about $230,000 on the U.C. side of an increase in healthcare costs. For the employees collectively, it’s about $45,000. For an individual employee their cost increases are going to range between $0 a pay and $37.00 a pay. So in perspective, 19% on what their cost share is actually not as high as it would sound. So we’re recommending that you approve our renewals, 0%, flat renewals for all except for medical – 19% this year, no market next year and cap at 20%. Any questions?

Commissioner Conrad stated I think I remember from last year that we had a reduction in medical coverage, am I correct or incorrect?

Mrs. Pitcher stated so we had a flat renewal last year and we had reductions in other health care options, our life and disability and versus what we had budgeted or projected an increase, we saved $200,000 to $300,000.

Commissioner Conrad stated so year to year, this increase of $230,000 is based on a reduction of the prior year.

Mrs. Pitcher stated no.

Commissioner Conrad stated we saved a little bit the prior year for this year, next year it’s going to go back up to where it would have been otherwise?
(7-a) Healthcare Renewals FY2021 (cont.):

Mrs. Pitcher stated well, if we would have taken what Florida Health Care wanted to give us last year then you could say that but with a 0% renewal last year it’s kind of hard to say.

Commissioner Conrad stated okay, thank you.

Chairman Biedenbach stated you said that some of the employees will have a $37 paycheck increase.

Mrs. Pitcher stated it’s around that and because these deductions are pre-taxed, it will actually be less than that.

Chairman Biedenbach stated and so we pay 25 times a year?

Mrs. Pitcher stated we pay 26 times a year and they’re deducted out of 24, it’s about $1,000 a year at the highest end and at the lowest end where some don’t pay anything.

Chairman Biedenbach stated are these the employees that had the medical problems or are these employees that fall into that group.

Mrs. Pitcher stated right, so the way that our cost share works is we pay 100% of our employees’ premium and then for dependent coverage we pay between 50% and 100% depending on their tenure. So our newer employees get the 50% coverage so they pay a bit more than our longer term employees, so that’s why there would be a range, and then it also depends on what tier you’re on – so if you have just a spouse or family.

Chairman Biedenbach stated so it doesn’t have anything to do with how healthy your family was.

Mrs. Pitcher stated it does not, the perks of a group plan.

Chairman Biedenbach stated okay, all right.

Commissioner Holcomb stated that’s actually pretty good. I like the tenure part, the longer you’re more vested, as far as employee retention it is a good component and a benefit; I hope that the employees recognize that.

Mrs. Pitcher stated, and so we will be doing a lot of education to our staff.

Commissioner Holcomb stated that’s not a good conversation, you’re right.

Chairman Biedenbach stated any other questions for Mrs. Pitcher?

Mr. Bunch stated what’s the approximate split of the total increase between the Commission and the employees.

Mrs. Pitcher stated well, we’re going to be $230,000 and collectively the employees $45,000, so…
(7-a) Healthcare Renewals FY2021 (cont.):

Chairman Biedenbach stated $300,000.

Mr. Bunch stated so probably 80/20.

Commissioner Holcomb stated 19% is what you said.

Mrs. Pitcher stated well, overall, the renewal is 19%.

Commissioner Holcomb stated but the share.

Mrs. Pitcher stated the share, we’re $230,000 and they’re $45,000, so that’s $285,000.

Chairman Biedenbach confirmed there were no further questions, and then stated you need a motion to approve this purchase.

Mrs. Pitcher stated yes, please.

Chairman Biedenbach stated okay, I need a motion and a second.

Commissioner Holcomb stated I make a motion we approve the healthcare; specifically a motion to approve the continuance of employee healthcare insurance for fiscal year 2021 with the carriers/coverages as listed on the agenda item summary, to be effective 10/1/2020 through 9/30/2021 (FSA to be effective 1/1/2021 through 12/31/2021).

Commissioner Davenport seconded the motion.

Chairman Biedenbach confirmed the motion, no further discussion, and then requested a roll call vote on the motion.

Commissioner Holcomb’s motion then passed unanimously on the roll call vote.

Commissioner Holcomb then stated one more thing on that, what I like too is you were mitigating future, you looked at what the future could hold. And the part of the agreement I liked is that instead of coming in here with maybe less bad news, you came in here with a better version, I’m looking forward next year. I appreciate that perspective on it because sometimes it’s we’ll just deal with it next year and next year would be more of an issue. So I really appreciate the thought that went behind that and the foresight, so thanks.

(8) Possible Other Business – Time for Commissioners:

Chairman Biedenbach asked if there were any other comments, anything for the good of the organization.

Commissioner Davenport stated yes sir, Mr. Chairman I just want to say how much I’ve enjoyed serving with you and I really, really appreciate everything you’ve done for this organization. Like I said, you’ve been a great captain of the ship, thank you for all of your time and energy and everything you’ve done; appreciate you, thank you.
Chairman Biedenbach thanked Commissioner Davenport.

Commissioner Holcomb stated I kind of go along the lines of Commissioner Davenport. I appreciate the four or five years I’ve been with you. When I first met him, when I was going to be on the Commission, I was at the old store, a guy stuck his head in my office and said hey, you got a minute, I said yes, and he said I’m Bill Biedenbach; that was how we met. But he came in, and now looking back he was interviewing me on what I thought. He was very passionate about how important this place was to him and a better level of service to the community, making sure we took care of the employees. There was a true, I felt sincere commitment to you as employees and to our ratepayers to have a better everything. From the workplace, to community, to level of service and those were the things that he sat with me and talked about for probably 45 minutes to an hour. And looking back for me, I appreciate that concern and like I said I understand where you sit now, and I just want to say I appreciate all you’ve done, and I know it wasn’t easy. Thanks.

Chairman Biedenbach stated thank you.

Commissioner Conrad stated well, I can echo that, but while I haven’t been on the Commission as long, you participated wholeheartedly and shared so much information with the Economic Development Advisory Board during the period of time that I was on that board. And I know that I was going to enjoy working with you and continue to learn; thank you.

Chairman Biedenbach thanked her, stood up and stated I want to take a minute. I want to thank each and every one of you out there, some of you are relatively new, some of you have been around longer than I have. I am going to miss the place and I feel that I have brought some things here, but I didn’t do it alone. I had help from Commissioners Davenport, Holcomb, Conrad, and Hawes, from the Attorney and from Mr. Bunch, and from all of you out there. You have done a great job at bringing the place along and I want to thank each and every one of you and I mean that; thank you. He then confirmed there was no further discussion, commented we’ve had enough for nine years, we’re done.

There being no further business to come before the Commission, the Regular U.C. Meeting closed at 4:16 p.m.

APPROVED:                                       ATTEST:

________________________                                    _____________________________
CHAIRMAN                                                              SECRETARY-TREASURER

These minutes were formally approved by the Utilities Commission at their ______________, 2020 meeting.
**FORM 8B  MEMORANDUM OF VOTING CONFLICT FOR COUNTY, MUNICIPAL, AND OTHER LOCAL PUBLIC OFFICERS**

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<th>NAME OF BOARD, COUNCIL, COMMISSION, AUTHORITY, OR COMMITTEE</th>
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<th>MAILING ADDRESS</th>
<th>THE BOARD, COUNCIL, COMMISSION, AUTHORITY OR COMMITTEE ON WHICH I SERVE IS A UNIT OF:</th>
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<td>August 24, 2020</td>
<td>☐ ELECTIVE ☐ APPOINTIVE</td>
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**WHO MUST FILE FORM 8B**

This form is for use by any person serving at the county, city, or other local level of government on an appointed or elected board, council, commission, authority, or committee. It applies to members of advisory and non-advisory bodies who are presented with a voting conflict of interest under Section 112.3143, Florida Statutes.

Your responsibilities under the law when faced with voting on a measure in which you have a conflict of interest will vary greatly depending on whether you hold an elective or appointive position. For this reason, please pay close attention to the instructions on this form before completing and filing the form.

**INSTRUCTIONS FOR COMPLIANCE WITH SECTION 112.3143, FLORIDA STATUTES**

A person holding elective or appointive county, municipal, or other local public office MUST ABSTAIN from voting on a measure which would inure to his or her special private gain or loss. Each elected or appointed local officer also MUST ABSTAIN from knowingly voting on a measure which would inure to the special gain or loss of a principal (other than a government agency) by whom he or she is retained (including the parent, subsidiary, or sibling organization of a principal by which he or she is retained); to the special private gain or loss of a relative; or to the special private gain or loss of a business associate. Commissioners of community redevelopment agencies (CRAs) under Sec. 163.356 or 163.357, F.S., and officers of independent special tax districts elected on a one-acre, one-vote basis are not prohibited from voting in that capacity.

For purposes of this law, a "relative" includes only the officer's father, mother, son, daughter, husband, wife, brother, sister, father-in-law, mother-in-law, son-in-law, and daughter-in-law. A "business associate" means any person or entity engaged in or carrying on a business enterprise with the officer as a partner, joint venturer, coowner of property, or corporate shareholder (where the shares of the corporation are not listed on any national or regional stock exchange).

**ELECTED OFFICERS:**

In addition to abstaining from voting in the situations described above, you must disclose the conflict:

PRIOR TO THE VOTE BEING TAKEN by publicly stating to the assembly the nature of your interest in the measure on which you are abstaining from voting; and

WITHIN 15 DAYS AFTER THE VOTE OCCURS by completing and filing this form with the person responsible for recording the minutes of the meeting, who should incorporate the form in the minutes.

**APPOINTED OFFICERS:**

Although you must abstain from voting in the situations described above, you are not prohibited by Section 112.3143 from otherwise participating in these matters. However, you must disclose the nature of the conflict before making any attempt to influence the decision, whether orally or in writing and whether made by you or at your direction.

IF YOU INTEND TO MAKE ANY ATTEMPT TO INFLUENCE THE DECISION PRIOR TO THE MEETING AT WHICH THE VOTE WILL BE TAKEN:

- You must complete and file this form (before making any attempt to influence the decision) with the person responsible for recording the minutes of the meeting, who will incorporate the form in the minutes. (Continued on page 2)
DISCLOSURE OF LOCAL OFFICER'S INTEREST

Jack Holcomb, hereby disclose that on 8-24, 2020:

(a) A measure came or will come before my agency which (check one or more)

___ inured to my special private gain or loss;

___ inured to the special gain or loss of my business associate, ________________________________:

___ inured to the special gain or loss of my relative, ________________________________________:

___ inured to the special gain or loss of ________________________________, by

whom I am retained; or

___ inured to the special gain or loss of ________________________________, which

is the parent subsidiary, or sibling organization or subsidiary of a principal which has retained me.

(b) The measure before my agency and the nature of my conflicting interest in the measure is as follows:

Consent agenda item 1. I am under contract to buy this parcel of land.

If disclosure of specific information would violate confidentiality or privilege pursuant to law or rules governing attorneys, a public officer, who is also an attorney, may comply with the disclosure requirements of this section by disclosing the nature of the interest in such a way as to provide the public with notice of the conflict.

Date Filed 8-21-2020

Signature

NOTICE: UNDER PROVISIONS OF FLORIDA STATUTES §112.317, A FAILURE TO MAKE ANY REQUIRED DISCLOSURE CONSTITUTES GROUNDS FOR AND MAY BE PUNISHED BY ONE OR MORE OF THE FOLLOWING: IMPEACHMENT, REMOVAL OR SUSPENSION FROM OFFICE OR EMPLOYMENT, DEMOTION, REDUCTION IN SALARY, REPRIMAND, OR A CIVIL PENALTY NOT TO EXCEED $10,000.
**Debbie Simmons**

**From:** Debbie Simmons  
**Sent:** Monday, August 24, 2020 4:57 PM  
**To:** UC Commissioners; 'thomas.cloud@gray-robinson.com'  
**Cc:** Joseph Bunch  
**Subject:** RE: Form 8B Voting Conflict Form - Commissioner Holcomb  
**Attachments:** FORM8B-VotingConflictHolcombAl3-i 8-24-20.pdf

**PLEASE DO NOT HIT REPLY ALL**

In compliance with Section 112.3143, Florida Statutes, the attached Form 8B was received on 8-21-2020 for U.C. Commissioner Holcomb's disclosure and declaration of a voting conflict that occurred during the 8-24-20 Regular U.C. Meeting (Consent Agenda Item 3-i – Developer's Infrastructure, Capacity and Inspection Agreement – Stewart Mitchell – S.R. 44 PUD – Mitchell Equity Group LLLP).

This form is being furnished for your information. This form will be read into the record publicly at the Regular U.C. Meeting on 9-28-20 and will become attached to the August 24, 2020 U.C. Minutes.

Thank you,

Debbie Simmons  
Executive Mgr./Records Custodian  
Utilities Commission, City of New Smyrna Beach, Florida  
386-424-3001 / Email dsimmons@ucnsb.org
AGENDA ITEM 3-b

☑ CONSENT ITEM  FOR MEETING OF: September 28, 2020
☐ NEW BUSINESS  FROM: Executive Mgr.
☐ OLD BUSINESS  SIGNATURE: Debra Simmons
☐ EXHIBITS: Minutes of U.C. Workshop Meeting Held 8-19-20

SUBJECT: Minutes of U.C. Workshop Meeting

SUMMARY:
Presenting detailed transcription of public meeting minutes for U.C. Workshop Meeting held 8-19-20.

(Note - Due to emergency declarations associated with COVID-19 and in accordance with UCNSB Resolution No. 2020-06 and extended by 2020-07 and 2020-10, this Commission Meeting was held virtually - via Webex, and with limited on-site public participation, by appointment to ensure accommodation.)

RECOMMENDED ACTION:
A motion to approve the minutes of the U.C. Workshop Meeting held 8-19-20.

NOTE: ALL AGENDA ITEMS MUST BE IN THE GENERAL MANAGER'S OFFICE BY NOON MONDAY TO FRIDAY TWO WEEKS PRIOR TO THE REGULAR MONDAY COMMISSION MEETING.
To commence the U.C. Workshop Meeting, Commissioner Davenport led in the Pledge of Allegiance and Chairman Biedenbach provided an invocation.

Roll Call and Introductions:

Mr. Bunch then stated good afternoon everybody, welcome to the Utilities Commission, City of New Smyrna Beach, Modernization Workshop. We’re going to do some quick introductions. I’ll start out at the table down on the left-hand side.

Mr. Scott Wilson introduced himself and stated some of you probably remember me from last spring when we came in and did the Vision, Mission, and Value Workshop. I’m with a group called UMS and I’ll tell you a little about them when we get into this, but very delighted to be circling back here a year later on what’s been accomplished and where we’re going on modernization. Thank you.

Ms. Julie Couillard introduced herself and indicated she was the Director of Engineering at the U.C.

U.C. Commissioners Davenport and Conrad introduced themselves.

Mr. Bunch indicated Commissioners did have their name tags and stated he would speed it up. We have Chairman Bill Biedenbach to the right, Commissioner Jack Holcomb, Director of Finance/CFO, Efren Chavez. And then over to my left some of our staff and Directors, we have Thomas West, the new Director of Water Resources, Britney Pitcher, Director of Central Services. Go to the back and come forward, Tim Beyrle, Director of System Operations, Mike Mines, Director of Transmission and Distribution, and Mike Schings who works for Mike Mines, Supervisor of Substation and Relay (and Brandy Keehn, Director of I.T.). That’s in terms of introductions, let me get into the purpose of the meeting. The purpose of today’s meeting, the Chairman mentioned it, it is an important meeting for us, it’s a real milestone in terms of from whence we’ve came and where we’re headed in the future. And the modernization workshop and the roadmap you’re going to see today is our chart forward, it’s our map. What we’re going to do, how we’re going to do it, the benefits it’s going to bring to our customers, this community, and the business.

Mr. Bunch continued by stating at the end of 2018 we were asked, and I talked with all of the Commissioners and a number of other stakeholders in the community, but as we looked at the state of the affairs at that point in time, we didn’t have a current strategy. And we talked about this last year in the Vision, Mission, Values Workshop, what we had in place was largely a vision that was propagated from 2006 leadership and organization that was in place at that time. Well, a lot changed. Just as we had our photo shoot for the electric vehicles out front today, electric vehicles, much more propagation and adaptation of solar, both in utilities and on customer premises, customer expectations have changed dramatically as did the technology that folks in our business were employing. So absent a strategy, we had a tactical list of projects and things we were going to do, but the work we’ve done in the last year is all about the strategy. It’s all about the systems and technology that we will invest in, leveraging what we currently have, and then how is that investment portfolio going to bring the benefits to our customers, this community, how it’s going to be used by the staff, Directors and other folks in our organization to run the business better. And in our business, systems are complicated, the
Roll Call and Introductions (cont.):

technology that we use, there’s almost never like an all-in-one type solution. There are a number of businesses where you purchase an all-encompassing customer system. It may do your billing, it may even do your H.R. In our world there’s some enterprise systems that will package together some of the customer aspects of the business in billing but when you get into operations and technology, these are all different vendors. And you’ve got regulatory requirements, you have regulatory requirements for the water business, regulatory requirements for the electric business, and by the way, some of those same systems are up here on the hackers’ list of things they would like to get into. So as this roadmap was developed, all of those things were considered, how do we deliver predictable benefits to our customers and the business. As we selected consultants to work with us, we were very deliberate in choosing folks who were credible in the industry, have done it elsewhere, and also understand the scale aspects of us being a municipality and not having the size of somebody like Florida Power and Light and Duke.

Mr. Bunch continued and stated so, as you see this information presented today, we want this to be an informal conversation, much like the one Mr. Wilson led us through last year when you saw the Vision, Mission, Values. So if you see something you’re not sure about, ask questions, jump in. We’ll rely on staff to add commentary if it’s applicable to their areas of the business. And I think it’s going to be an enjoyable meeting and added, I hope it doesn’t last until 5:00 p.m.

Chairman Biedenbach commented do you want it done now?

Mr. Wilson stated thank you.

Commissioner Davenport commented you’re not getting off that easy, too much money involved.

Mr. Wilson stated I understand Commissioner.

Mr. Bunch then stated so we’re sure you want to validate the rigor that went into this, to that comment. So with that I’m going to turn it over to Scott Wilson who is going to get things started. I thank everybody for your attendance, participation, particularly that of the staff that’s worked with consultants like Mr. Wilson since last year to put all this together.

Mr. Wilson stated thank you, asked if anybody had a comment, just after Mr. Bunch’s; and then confirmed good to go.

Roll Call:

The Recording Secretary inquired about roll call.

Chairman Biedenbach stated thank you.

The below Commissioners, and staff members, were in attendance on-site (socially distanced) at this virtual Webex Workshop meeting:

Commissioner James Davenport
Commissioner Richard Hawes (Participated Via Webex/Phone)
Commissioner Jack Holcomb
Chairman William E. Biedenbach
Commissioner Lillian Conrad
Roll Call (cont.):

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.; M. Schings, Supervisor, Substation/Relay; B. Pitcher, Director, Central Services; T. Beyrle, Director, System Ops.; B. Keehn, Director, Information Technology; T. West, Director, Water Resources; D. Simmons, Exec. Mgr./Recording Secretary; General Counsel Thomas Cloud Esquire – GrayRobinson Attorneys at Law (Participated Via Webex/Phone); Anthony Hight plus two other technicians - Ant Farm Media; and a few unidentified WEBEX/call-in participants.

(1) Background and Expectations for Workshop:

After roll call, Mr. Wilson stated okay, shall we launch, good to go. Thank you for taking the time to come in and hear about the modernization roadmap for the Utilities Commission here in New Smyrna Beach. As Mr. Bunch said, this is really the culmination of about a years’ work with your new leadership team around the table, the Directors that were here before, the new additions. And really, kind of stepping back, if you remember last spring, you know we’ve got a bunch of things that we know we need to do and work on and that kind of thing. But what’s really the strategy going forward to our vision, our mission that’s going to translate the value for our community and the customer from our system and particularly where we invest in our assets. Because that’s what we do, we manage and run assets for the benefit of the community. What the roadmap is going to do too, what you see in the industry nowadays, you see a lot of technology roadmaps, you guys have probably heard this. Here’s all the technology, the shiny tools, the shiny toys I call it, to put in. You may see process roadmaps, well here’s the process I’m going to change. But very rarely, you don’t see very often a roadmap that combines all this. And that’s what you’re going to see today, you’re going to see, just in summary, how these folks, based on the information and studies that have occurred since last spring, are going to change how they operate, the business and the system and process and programs and practices. And then more importantly, how do I sequence in time the right technology roadmaps, you guys have probably heard this. Here’s the level of effort on what's your pursuing in a way that you can see it, and visually see it and then kind of drill down as you go and see the depth, the content, the important stuff and that's the management tool, and then I can come back up and see where I'm going. So, that's what you're going to see today.

Mr. Wilson continued by stating so, that's what you're going to see coming together here and it's illustrated kind of on our rock star poster boards over there. By the way on the side, the Directors are going to sign a few, they'll be available on Ebay for you know a nominal fee if you’d like one, no. But that is what is going to come together so we needed a way to be able to show the level of this effort on what's your pursuing in a way that you can see it, and visually see it and then kind of drill down as you go and see the depth around it. So this roadmap, yes, it is a tool for our workshop today, but it is really a management tool for these guys to use going forward. And Mr. Bunch you said yesterday, you assured me it wasn’t going to collect dust.

Mr. Bunch stated to confirm, this will not be a product that collects dust.

Mr. Wilson stated yes, you’re going to see a balance in this roadmap and I won’t just bore you with powerpoint, I’ll bore you with Visio, that’s the system we use. But it essentially maps out a flip on how are we going to modernize, and so think of it like a tour map. Say I was going to tour Italy and I wanted to go into the three or four different regions, right? Each region is mapped out where I’m going to go and as I get there, I can drill down a level see the depth, the content, the important stuff and that's the management tool, and then I can come back up and see where I'm going. So, that's what you're going to see today.
(1) Background and Expectations for Workshop (cont.):

Mr. Wilson continued with his powerpoint and stated with those comments, the agenda, the first thing I'm going to do, I want to jump back to 2019 in the Vision, Mission, Value work and I've got about five or six slides in there. And just sort of a., going to bring back to the surface here because that was the basis for starting this more in-depth roadmap. Also, we have two Commissioners that weren't present for that April meeting, so this gives them some context of how the strategy and the Vision, Mission began to evolve and the Value framework into this roadmap. We just didn't start blind and I think that's important. And then we're going to go into the modernization plan, roadmap workshop, and I'm going to basically walk you through the roadmap to whatever level of depth, there's depth in it but I will summarize what depth is on the slides and then if there's questions, just ask. I want this to be interactive and a discussion, not just me talking for three or four hours. Oh I can do it, but I'd rather it be interactive, and we'll just walk through the roadmap and then you guys can talk about next steps. And in the end, Mr. Bunch mentioned this, as the objective is your confirmation that you're comfortable with this modernization roadmap and where they're headed. And that's the ultimate goal I think at the end of this meeting.

Mr. Bunch stated as we mentioned in the budget presentation at the end of May, we would be presenting this portfolio of project investments, we would want your approval in principle or a nay, that's always a possibility. But as we move forward, we bring individual projects to the Commission table for approval, you'll see the business case behind each one of them, final cost estimates, and you'll get a formal approval of each project. But which we'll have at that point in time is the benefit of this as a reference, and say, okay, I see where this fits in. You told us we were going to do this, I think I remember that. Or hey, I've got some questions about that, how does it fit in? But you'll have this as a reference and we will, and as Mr. Wilson just mentioned, we will leverage this going forward. This will not be an unutilized work product by any means.

(2) UCNSB Strategic Grid and Water Modernization – Plan to Achieve “Utilities Commission of the Future” Capabilities:

Mr. Wilson stated so that's our agenda for today, so let's just get started. Let me just make a couple of comments about us, UMS Group and myself, because this is what I think is very important, it's what utility leadership teams are dealing with. So, if you think about consulting in the utility and energy space, you’ve typically got, the three sub-bullets there. You’ve got your business consultants – that’s strategy, management consultants, financial, all that kind of stuff. Then you have your technical consultants, that's the next router so to speak, and those are your operations guys, assets, maintenance, risk management, you know, how do I run the system, the business, the operations, that kind of thing. And then you've got your engineering consulting services and technology consultants. Okay, so you kind of got those three levels and really what utility leadership teams and our staffs are dealing with now is how do I bridge all three of that in my business. How do I run the business, how do I improve my processes on how I’m operating the business, and how do I bring the engineering and the technology into play appropriately. You can't separate it, you've got to work through these together and that's where modernization in our industry is going. Five years ago and prior it was all about the technology, that's why those technology roadmaps and all that kind of stuff, it was like buy the shiny toys and then we'll figure out how to use it. This is where we're evolving to from your senior operating leaders down and its executive leadership teams that are requiring this because people want to know if we're going to spend on technology, how does it help in my assets. Not just in five years with grid mod. and all, but today. Otherwise why don't I just wait, why am I doing this, and I think that's probably a familiar question to you guys; so you want to bridge that. We at UMS Group bridge that, we do the business consulting, we do the technical consulting and the operations, asset management, all that. And many of us, like myself, have had significant experience in the engineering, technology consulting arm. So that gives us kind of this ability here to help bridge across that which is I think we bring pretty good perspective to how do you balance that, and I think that’s
why we worked fairly well together on this over the past few months. So that’s about us, okay, so let’s just move on. Any questions on us?

Mr. Bunch stated I would just ask, Commissioner Hawes is on the line, if you could cite the slide number.

Mr. Wilson stated okay, right now I’m going to go into what we did around Vision, Mission, and Value last year in 2019 in the spring. So I’m moving to slide number five. Basically in this section, I’m just going to do a high level review of their approach and then I’m going to walk through the approach and then how it then sets up to do the roadmap. For, you know, three of you here have seen this, but it’s only five or six slides but I think it will put context to it for the other two Commissioners. It's the right slides to tell them what we did and what we came out with without going into all the detail that we went into for that four or five hour workshop. So, if you go to slide six, essentially, in the spring, and Mr. Bunch mentioned this, this is where they took a step back after, you know, the team had come on board and said, look, we got a lot of focus areas. So that's the little blue box over there on the left, the modernization focus here. We have a lot of tactical things that we're focused on, but how are we really going to create value with that. And we know that value lines up with the community, and the customers need, which is what you read across there. And then let that define our value statements and then let that define our Vision and Mission. And that was the goal at the end of April, May in that timeframe. So that was the approach and that’s what we did.

Mr. Wilson stated if you go to the next page, slide seven, this whole effort centered around what we’ll call value attributes framework. And basically this was ten areas of value that we adopted from the effective utility management, it's common in the industry, but ten areas of creating value that you use to define what you're doing with your utility. The assets you're investing in, what you're doing with your operations, all that to deliver your services. So if you look at the next two pages, and this first page has the first five areas. The first two are around customer focused, you know, what are we doing for the customers - it's product quality, it's customer satisfaction. As I move down into the system, it’s got how am I going to develop my employees and my leadership, how am I developing and optimizing my operations, am I financially viable, that kind of thing. And then if we go to page eight, we've got what's my infrastructure strategy, how’s my infrastructure performing. And then enterprise resiliency, and enterprise resiliency is effectively how both strategically and tactically am I preparing to manage risk and you're going to hear more about that in asset management and things like that; so, how well am I doing that? And that’s kind of new for our industry, it’s shown up in other industries but this risk-based asset management and stuff, this is where we're going because we're able to control things more granularly now with these new technologies. So we're able to take risk out of the equation, supply risk, delivery risk event outage risk, things like that. We can respond quicker, we can maybe cut them off at the pass so they don't incur. So, it really is about risk management. And then, part of that is your business continuity, you'll hear something about that too. So, if we do have a disaster, how do we stay up and running. It may be in Orlando or something like that, that's about business continuity. And then the last three categories of value are really focused on what we're doing in our community. So, we got the customers, but what are we also doing in our community. So, community sustainability. Are we doing things that improve and sustain the community overall – the health, the economics, the quality of life, that kind of thing. Resource sustainability, obviously, you know, that’s renewables, that's water management, that's you know, are we managing our resources well. How do we do there? And then, of course, communications with our stakeholders, our stakeholders are the community, it is the city leadership, it is you guys, that’s who it is. So those are the kind of ten categories of value that you have to manage.
(2) UCNSB Strategic Grid and Water Modernization – Plan to Achieve “Utilities Commission of the Future” Capabilities (cont.):

Mr. Wilson continued, so when we looked at that last spring and this, I'll get to the red, green and yellow circles here. We said, okay, how are we doing this based on the facilitated discussions we were having internally and some data and stuff like that, but just, how are we doing here. And the color coding is green is we're consistently obtaining it. So it's not like we're the best, it's just we're consistently doing this well, and that's a good spot to be. Yellow is we're obtaining it a lot of the times but we could improve. And red is we're limited, we're not obtaining as well as we'd like to be. So, let me flip back up and just sort of frame this for you, what do these dots say to you because this leads into the roadmap eventually on why we're focused where we are. If I go back to page seven, which was the table before. When we looked at product quality, we said, you know, we have a pretty good product. Now we do, at that point, still had reliability issues, okay. But we said we actually do pretty well with Mr. Mines and the field services, when we have an outage they're very effective at responding, and so we obtained that pretty well with what they were working with. And this is going to show up in the other categories, and if you'll remember this discussion. When we looked at the other ones, the rest of them, we said, you know, a lot of them are yellow, because they are shortfalls and I'll get to the shortfalls, the red dots, that are affecting this. So, we have good power supply costs, we deliver well for the most part. We have some customer reliability issues, but we're doing the best we can with what we have been working with, and you’ve got to keep that in context. So, hence the green and the yellows around operational, optimization, and financial, all that kind of stuff.

Mr. Wilson continued and stated so if I go to the next page, page eight, and I look, where are the two red dots - it's about infrastructure. We have aged infrastructure a lot of it's end of life, okay, we don't have a lot of formalized maintenance. They're doing the best they can, but there's things to improve. So infrastructure is a problem and managing risk, and those red dots there is what affects our ability to deliver, to kind of deliver better on the product quality, to deliver better on the operational optimization, things like that. You guys remember all this correct, does this make sense to you, okay. So given that, that is going to drive a lot of our focus and as we laid out this modernization roadmap. So now, let me go, the next step in the Vision, Mission, Value last year, when we looked through this and said okay, now we have this value framework. We got an idea of where we really kind of need to focus and if you focus on infrastructure and risk and resiliency and things like that in our system, it's going to help with these other areas where maybe we got some yellow and it's going to make them more green. So, what did we kind of talk about at that point?

Mr. Wilson stated if you go to slide nine, for the Commissioner on the phone, this is where we said okay, there’s really kind of four paths that we looked at. The first one being what we’ll call the market path or the customers. And on the left side, the focus areas, these were sort of those tactical things that we wanted to focus on. As Mr. Bunch mentioned at the end of 2018 there was this list of tactical focus areas, and if you look down the side, and you’ll see these thing show up in more detail in the roadmap is, you know, understanding the customer better and understanding what they really want. Expanding our conservation programs into some of this more newer stuff like demand response and distributive energy application, where it makes sense. Developing our digital media and social media platforms to help the customer, and we'll talk more about it in detail. What does that really mean? Not just necessarily putting information on the website. Down below we talked about just ensuring that our modernization plans, as the system, aligned with what the community, the city leadership, was thinking about, and you’ll see that in the modernization plan. But this is how we’re lining up and then we map them to the value attributes and said, okay, this makes sense, this is how we’re going to, you know, if we focus in these areas in our modernization plan, this is how they’re going to improve those ten areas of value. So that was the market path.

Mr. Wilson stated if we go to the next page, slide ten, this was the electric business path. And again, you kind of look down the left and you see reliability was a big thing, obviously. The building blocks
of a new grid modernization program which included the outage management system, work management, that kind of thing. Basic distribution feeder and equipment improvements, just because it’s an aging system, I mean we have to do this and that was on the tic list. Some distribution automation which you’ll see more about, things like automated reclosers, sensors and stuff that you just use in distribution now to get more visibility to control things and to manage issues as you see them. Network communications, I know Mrs. Keehn is big into this, I mean what is the communications backbone, for not only the voice, but data. I mean everything is about managing data now to get things to happen. But we need to know what it is that we want to happen, but you’ve got to have a communications data network to do it; so you’ll see that. The fiber plays into that, the wireless plays into that. You know we potentially have EV on the horizon, it’s not, it’s being adopted now, okay, but certainly, you know we were laughing about this, people aren’t trading in all their automobiles right now to get an electric vehicle and I agree with that. But what we invest in now, has to accommodate that over the next five to ten years. And our asset investments, whether they're the kind of traditional grid systems stuff we're using to manage the grid to the new stuff, these are at minimum ten year investments. You know we used to say 30 years was typical lifecycle for a utility asset, use a 25 to 30 year planning horizon. Now we're down, in some cases to ten years. There's stuff, some stuff that's less, but ten years, five to ten years, kind of stuff. So whatever we're doing today needs to reflect where we think we're going over the next five to ten years; that's important here. AMI, huge foundational technology, building block and we'll talk more about that, but rather than just go buy an AMI network and put in AMI, now we know why and how we're going to use it; not just to read meters and that's important.

Mr. Wilson stated if I go to the next page, slide eleven, this was the third path that we looked at in the Vision, Mission. This was the water, wastewater, reclaimed, the water side of the house. Again, a lot of stuff familiar to you guys main approach to modernization. I mean, water, you'll see in the road map, it is truly end of lifecycle investment that we're making on that, and we'll talk more about that. There were SCADA upgrades and some control upgrades. There were some conversions on how we're treating water and things like that. There were just sewers expansion and water main expansions, and things like that. AMI for water, that'll be an interesting discussion. AMI is helpful for water, but it's helpful in a different way than you see on the electric side. So we will... this is the thought that went into the roadmap. And then you've got on the supply side the wells, the alternative water supply, that you guys, what do you do with that. And then modernization of the WRF, the reclamation facility out there. Again, all that lines up to the value attributes framework here in this that we had in the spring. So, whatever we wanted to focus on there was a connection to how we're going to create value and that was important. Not just, let's go get the shiny toy kind of thing right?

Mr. Wilson stated one last slide (12), this combined to, this was the organization focus, and I won’t dwell too much on it but this is more technology. Like your website, your field collection software, the Cogsdale upgrade for CIS, AMI, management systems. And if you look on the right, you go down the enterprise business system integration, things like that. And then if you go way to the bottom on the right side, the last bullet, the fiber, the outage management, the work management system, the asset management systems are in there. So these are all of your kind of technology systems that you were going to use, or needed to have at the right point to manage how are we going to change our operations or our business process, programs, practices. Manage those better, bring the right technology solutions in, whether they’re systems or assets out on the grid, or whatever, sensors, right? And make sure it lines to how we're investing in the system in our capital plans. Make sense, okay, well it’s, you know, the car dealership, same thing you’re doing there. Where am I seeing? What I need to do in that business, from serving my customers, selling cars, services, all that. Does it line up, you know what kind of technology, I don't need to buy a new testing device if a., there's no demand for it or b., I’ve got an alternative to get more life out of it; it still does it right? And it's not going to be
an additional service that goes with the car, so do I do that now? And now is the time where I'm investing the rest of my dollars to grow my asset business. It's the same thing here is what we're doing, makes sense to you guys? Yes, all right.

Mr. Wilson stated I threw slide 13 in just so you can see how these four different paths and what we just went through line up to what we called, we identified as the community’s needs. And if you’ll remember back to last spring when we did that, we used the framework, the PEST framework it’s called. But it’s the political, economic, societal and technological needs for the area that you serve, New Smyrna Beach. So I just put this in there for the other Commissioners to say, look, the point was what did we think we needed to focus in, we had all these, kind of disparate things. How does it create value and how does that value line up to, in summary, what the community was saying it needs. And there's a detail behind this but I'm not going to spend time going through that here. And then the last page (slide 14), so this is how we segue into the modernization roadmap that we're about to see and kind of dive into.

(2-a) Modernization Plan Recommendations – UMS Group, LLC Presentation*:

Mr. Wilson continued, so we took the approach, the results of the Vision, Mission, Value and obviously there were four paths coming out of that. A market path, which is our customers and community, our electric path, the electric side of the business, our water, wastewater, reclaimed side of the business path, and then the organization path that supports all that. And if you look at just the poster here, the roadmap, you see those four paths. And that was the documentation, we sent you last night, so we'll go into what that means. The other thing that we've done with this red map is over the last year, so since the completion of the work in the spring of 2020, there were three major studies done by other firms here. Burns and McDonnell, “Burns & Mac”, they did a huge reliability performance study that also built off of FMPA, they did that work too. Stantec came in and then did basically a water study, wastewater, the water business side study, what's needed, optimization. How long was that report, almost four hundred pages; that's going to be embedded in the roadmap, it's a serious report. And then Quanta Technology, that we were back here in the spring, doing the Vision, Mission, they came in and they did what I'll call, basically, it was a technology assessment. So here's the technologies available and what they could possibly, you know, from a high level affect our view on the system.

Mr. Wilson continued, the trick was now how do I take that, map it in and then how am I improving the system and all that, where am I spending money on the assets; that’s what the roadmap does. And then the other thing, just these guys have made some incremental progress over the last year, just kind of low hanging fruit, or just do it kind of stuff, moving down this roadmap path that we’ve mapped in here. And so, the train has left the station is my point on stuff that was just, it needed to be done or it was so obvious or low hanging that you know, I can lay on my back, reach out and pull the apple off the tree so to speak. So that's what's in the roadmap. And I think, at this point, now we're going to spend the rest of the time basically going through the roadmap and explaining to you what it was. But let me pause for a minute, particularly for Commissioner Conrad and Commissioner Hawes on the phone, are there any questions, or the other Commissioners, on what you recall from last spring.

Commissioner Hawes stated yes, can you hear at all?
Mr. Wilson replied yes.

Commissioner Hawes continued and stated okay, great. This is Rick Hawes and I was listening with kind of interest on the attributes of organizational values and the red dots that you were showing, I believe it was for infrastructure and strategy and performance of resiliency. And just to be clear, and I believe this is what I understand from the way this is described. This is an organizational issue, it's not that the actual machinery and equipment is a red dot, it's our process, our strategy that we put together, or haven't put together to make sure we're running the stuff to speed. Do I have that right or not?

Mr. Wilson stated Commissioner Hawes, it's actually both.

Commissioner Hawes stated okay.

Mr. Wilson continued, to be honest, and you will see this in the roadmap. It is the fact that a lot of the infrastructure is aging, is aged or kind of at end of life. It also is a fact that historically, you guys worked with what you had, so there were things, you didn't have a formal asset management program to manage life cycle and stuff like that on equipment. You had corrective maintenance, but not a lot of preventive maintenance and more sophisticated maintenance. That's the organizational side of the house as you speak, but the fact is you also have some significant aged infrastructure and infrastructure that was kind of just repaired, you know, as it broke. And so standards were, you know, they didn’t quite have the same, you know, specified equipment standards. It was like make it happen, get the power back up or get the water going again. And I don’t think I’m saying anything that no one knew, but that’s why I say it’s both. Does that answer your question? Mr. Bunch?

Commissioner Hawes stated it does, perhaps I can continue for just a second. So then the purpose here today is, I want to understand, make sure we have the strategy in place, but then also to fix or whatever we need to do out there. So you’re really helping us with both sides of that plan. This is not one of the other. Is that, do I have that correct?

Mr. Wilson stated that is absolutely correct. We're getting a little feedback here but I think, but hopefully you understand me. Yes, that is absolutely correct and that's why I say what you're going to see in the roadmap is a combination of what do we do in in processes and programs and practices on both the operating side as well as the business side. That's fixing, or fixing or improving, whatever word you want to use, advancing the organizational piece of that. It needs to be tied and aligned with where we plan on spending money on the assets over the next ten years. And we have a capital investment plan, I realize it’s a living document, it’s just year to year, but does this line up make sense. So that ties into the financial asset side of this thing and then most importantly, or not most importantly but very importantly, how does the technology that is out there, in particularly the power side of the house, all the shiny toys, how do those fit in, in the right sequence, in the right timing to best support the improvements we're making in the business and the operations and where we're spending money in the assets. Mr. Bunch?

Mr. Bunch then stated hi, Commissioner Hawes, I’d like to provide an example that I think everybody can understand. The one thing that we do not have, that was was in place when I joined the company I was with 30 some years ago in the utility business, was a basic work management system.

Mr. Wilson stated right.

Mr. Bunch continued, so we can't schedule individual jobs and the resources required to do those jobs. When the job closes out, there's no automatic handoff to our accounting system that says book this asset. And in fact our mapping people review time sheets on a weekly basis to see where the crews
were working to see what they might have changed in the field and do I need to update my map. So there's, that's why that's red, there's some real basic blocking and tackling functions that we need to have. So to answer your question, the roadmap going forward will address those gaps and it's not all system solutions. There are some just once you have the systems you have to just do this and that to manage it. But it basically takes us from where we are and gets us beyond the red and yellows and in the green direction with capabilities. Does that make sense Commissioner Hawes? Then commented, may be on mute.

Mr. Wilson stated yes, give him a second.

Mr. Bunch stated is he still on?

Commissioner Hawes then stated yes, there we go sorry about that, I thought I muted myself. No, I was just trying to make sure I had the right perspective because I was kind of looking at this earlier, trying to make sure I was understanding, is this a management organizational thing or are we actually going to sort of do two things at once. And it sounds like we're doing two things at once, which is just great.

Mr. Wilson stated yes, you're spot on, and you know, just as you guys know, I speak in pretty laymen terms. It's how you'd run a business, right, you've got to do these things simultaneously, hence the car business, whatever.

Commissioner Holcomb stated it's an asset, you have a plan for it, you depreciate it, it has a life expectancy and it has an ROI.

Mr. Wilson stated that’s right.

Commissioner Holcomb added and then we operate it, has an operational plan. So none of that existed, right.

Mr. Wilson stated, and you mentioned ROI, and this is sort of I throw it out here because I do a lot of work just with the investment firms, they obviously have shareholders, right. But Co-Ops. and municipal. And I’ve told Ms. Couillard, she’s been with me when I’ve done this in prior lives, I've told the Co-Ops. for instance, I said hey guys, I get the not for tax and all those kind of benefits, but your equity holders are your members. So don’t tell me that you don’t have shareholders. I mean municipal’s equity holders are the City and customers you serve. And, you know, when you create positive return, it goes back in and that's the way it's designed to go. I mean, that works fine, but those are yours, so when you say you need a positive ROI, you absolutely do. You can't just operate on no cash, survive cash flow that month and we're good to go. Fair enough?

Commissioner Holcomb stated yes, and I think the one thing that Mr. Bunch said to me, I don't know how long ago it was, but before we can check the box that we had it, but just because we had it, it was a system’s drag, it took a ton of labor, it took a ton of operations. So, we were taking other resources to kind of band-aid or triage that asset to carry it forward. And, you know, that for me was the first time that I heard something that made sense to me; yes, okay, I get that. So because we have it doesn’t mean it’s absolutely, it works for the current structure that we have or with the business we have, because it can create drain someplace else, whatever it is. So that for me, I understood that.

Mr. Wilson then continued, so other questions, kind of in this whole what I’ve teed up here on the Vision, Mission, Value, just a recap of what provided the basis for where we’re going next on the modernization roadmap. We’re good, everybody?
Commissioner Conrad stated I don’t have a question, I do have a comment. And I have an advantage over Commissioner Hawes as far as I started as a Commissioner or right after that Vision Meeting. And with every board meeting that we had thereafter someone on the board or someone on staff made a comment about when we complete the modernization study, we are going to whatever, x, y, z. And so for me, seeing this come to a point where we have a document in front of us is very, very important because I played the last eight or nine months saying okay, they’re going to give me the answer to this. They're gonna give me the answer to this. I'm going to stop asking stupid questions, that I’m going to get an answer to it. So, I think that Commissioner Hawes, just having attended one or two board meetings hasn't had that advantage and his perspective was great to hear.

Mr. Wilson stated agree.

Commissioner Davenport commented I think we've all been waiting, haven’t we Commissioner Holcomb and Chairman.

Mr. Wilson stated okay, are we good, can I press forward?

Mr. Bunch stated go.

Mr. Wilson stated okay, so let me skip down here, so now, let’s get into that next level of comprehensiveness in detail on how are we going to now pursue that Vision, Mission, Value that we laid out in the spring. So in this, I want to, before I actually dive into the roadmap, I want to do two things. One, I wanted to just introduce this concept of utility modernization that I've found very helpful on sitting down and talking to senior executives, staffs and utilities on that this isn’t just about the stuff five and ten years out, grid mod. and all that. So, I want to introduce that. Then I want to use that framework to essentially show you guys how it fits, that applies and lays out where you are in your stage of modernization, what the needs are and what benefits. And as Mr. Bunch mentioned, it's going to bring today, not just five, ten years from now. And that's hugely important, okay, and I'm going to use the basis of that to draw out of the three studies summary points. I mean, you know, obviously what we read in the four hundred pages I kind of bulletized for you and even the two pages are really kind of talking point sheets for you. That when you sit back and you think about why are we doing this, ah, I see, and that's why we put them together. And then we'll jump into the roadmap. There's four paths I've already mentioned the market side, the electric side, the water, wastewater, reclaimed side, and then the organization. And that's when we get more into detail that Commissioner Conrad said hey, I've been looking to learn more about what you're going to do, and you guys, obviously, and Commissioner Hawes is delighted to see as well. So that's this section and that will take the bulk of the rest of the time that we spend here today. And I will try to be efficient, again it's comprehensive, there is substantive detail in it because they’re going to use it as a management tool. Okay, the last thing I wanted to do or we wanted to do actually, was two months from now go why did we write that bullet point, I don't remember what we were thinking there. So we wanted to document that and make sure the dots all connected. So there's more detail than you really, and there's not a test after this, but hopefully what you're going to see in the pictures and in the flow is understand, oh, I get why we're doing this. And that's what's the most important here I believe for you as Commissioners; is that fair statement?

Mr. Wilson continued and stated all right, so let me jump in. So, this slide here, Commissioner Hawes, I’m on page 17. This slide here I've found to be very useful and actually generates quite a bit of discussion. If you think of modernization in the energy or utility space, there's really four buckets. I call them buckets, they’re categories, but there's four. So, if you think, kind of left to right is increasing sophistication and capability, operations capability of your system, right. And if you think
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on the vertical axis, the Y axis, as you go north, it's increasing market and business opportunity and value. So, you're creating value, you're satisfying that ten attribute framework as the community and customers evolve. There's really kind of four buckets that you're going to work in. Grid modernization, all the really fancy stuff, is the third bucket. So, utilities will comment grid mod., grid mod., right, and that's good because that's where a lot of the technology is that we're going to consider to adapt. But what's important is, how do I help or use that technology in that infrastructure to help my first two buckets, my asset health and corrective action. My performance management improvement, which is reliability. We're just using new technology appropriately. This is why I say sequenced and timed right to deal with stuff we're dealing with today. Aging assets on a system, okay, no asset management programs to really extend and manage the lifecycle of assets, no maintenance programs beyond corrective maintenance. And you know you're not the only utility this is happening at okay, I mean this is common. So when you start putting it in this kind of perspective, when you start saying, hey, I’ve got to improve our reliability, well, there's technologies in grid mod., distribution automation, SCADA, those kinds of things that are I mean, they're designed for that totally interactive kind of system we’re hearing about in the future – they are useful today. They are being used today and we want to use them today to get the value out as well as position for the third bucket of grid modernization. And when you start getting utility executives and operators and staffs thinking that way, this way about it, they start going oh, okay. And you know that whole modernization thing that they're calling grid mod., it’s actually useful to me today. I can use this to make sure I run efficient, reliable, responsive, cost effective systems and while I’m doing that the stuff that I’m putting in place and using today is positioning me as we grow into bucket three, the grid modernization, more fancy stuff, and even the fourth bucket, your advanced system and market integration. And that's where, you know, you're starting to aggregate across areas of the market to balance regions and stuff like that. Not just going on, okay, they are utilities, we're not here, we're not near that here. But there are some things that you can deal with FPL and that would all fall into that bucket.

Mr. Scott continued, so when you think of modernization, it is really about building on the traditional or today system focus into what a lot of people call the utility of the future focus. It's not just how do I jump all the way out there to the utility of the future and everybody goes don’t take me there. We’re just dealing with aging assets, we’re dealing with reliability issues, or we’re dealing with that. And if you think this way, it becomes about improving the operations, improving the business all that comes in and then where does technology fit in appropriately and accurately. Not let technology drive the business and operation, which is a huge faux pas that we fall into in this industry for ten years plus. You know, let's go buy the technology, it's gotta be cool. And, you know, I'm an engineer, so I can say it, right, engineers like shiny toys and I'm an engineer, I get it. But we’ve got to really use it to drive, be driven by the business, not let technology drive us. Does that make sense to you guys here?

Commissioner Holcomb stated yes, you made the statement that you were laying on your back and there's a lot of low hanging apples or whatever. Laying on your back there was enough apples to pick. My question is not when we transition out of that, now we've got the total picture, how many of those apples, if you take the totality of it right, and say how many of those apples in what we're trying to do here are still within arm's reach. And that's a priority because it's like we borrowed $80 million dollars, whatever the number is, how do we prioritize those dollars to come off into the system. And that for, you know you can sit here and if you have a standard way of identifying that, to say okay, this is the criteria we're going to use, first need greatest and our first investment, that's the part when it gets a little complex for me to go well yes. I mean obviously, there's some of the managers who manage the systems will give you that, but you also want to vet that on the side and go okay, this is the metrics in which they told them to use. Because again, at the end of the day, for me, it's just like, yes, I don't how do I approve that $80 million into the system, the priority like you checking all those boxes.
Mr. Wilson stated right, so, let me make and then added, Mr. Bunch I’m going throw it your way too in case you want to build on this. Two things, two comments, one the low hanging fruit I talked about, you know, I could lay on my back and pull an apple. That stuff that I could just do I don’t need any kind of place whatsoever, it is so obvious I did it. And that’s why they started it, in our roadmap we’ve got some of that, it’s just got to happen. But to your question, and this is why you have to think about it across areas of operation, in the areas of the business, areas of the system, that kind of thing. It really does come down to metrics improvement, and that is key. So, any kind of investment in technology or assets has to be tied to how am I going to improve the operation around say outage response. How is this going to help me get more targeted faster in to where I have the outage, How is this going to help me with my circuits, you know, with reclosers and the working, kind of isolating the outage down, so I have the least amount of people off, but the rest of the area is energized. That's the use cases that go into the business case that then drives what do I do. And I'm able to say you know what I don't necessarily need to, like an OMS system. I mean is this a good time to talk about this one or bringing this one up now? You know, there was a big, kind of on the tic list, let’s go buy an OMS, which is a sizable expense. But with you guys, if you invest in AMI, in many AMI management systems, there’s an OMS module. Your Cogsdale, CIS system, there is an OMS module. So we can use that in the interim, get the performance metrics, save on costs. So that’s a way we’re improving our outage response. But using the right mix of technology and with the assets, you know, the reclosers and sensors and stuff we’re going to put in distribution automation on the system, SCADA, all that together. And it really comes down to can I drive improvement, which I will with OMS and AMI, can I drive improvement in response, in isolation, and getting people restored. Can I even take it one step further and start looking at am I able to monitor the system in more real time. I'm going to say more real time okay, so I don't create expectations here, this isn't Star Trek yet, we're getting there, but I don't create expectations. But in more real time where I can see a problem occurring, in a transformer, I'm watching temperature of the oil, whatever, and going, you know what I need to idle load back on that circuit in that transformer, how am I going to do that. Well, I got the main response and these people aren't going to be home until five or six o'clock at night anyway, they’re not going to know if I idle down. Then also we’ll idle some demand response or I’m able to shift people’s load off to, you know this is where you get into more fancy, but just you get my thing. But I’m lowering, I'm using a maintenance program right, predictive maintenance, that's part of reliability using a maintenance program with the AMI technology with the OMS and the grid management technologies to prevent a problem and extend the health of the asset. That's all metrics based, does that make sense? I don't want to talk too much, but does that make sense to you?

Commissioner Holcomb stated yes.

Mr. Wilson added, that’s all metrics.

Mr. Bunch stated and Commissioner you also had the question about the prioritization. So, one of the low hanging fruit items we did last year was Mr. Chavez developing with the team a prioritized approach to the budget, which is risk based. So every year when we build the new budget, these projects going forward will be prioritized and we’ll recommend either stay the path as it was recommended or we can’t afford that much this year, we need to push something out. But that will be part of the annual budget prioritization that Mr. Chavez leads with the Director team every year. And you’ll see the new budget recommendations, at the end of each May. And the current plan as it is, at least a draft with plugs for these dollars is in the hands of the rates consultants. So they can look at model with our historical costs, what’s our ten year plan going forward? And how do rates support those expenditures or not. As a reminder, and we talked about it back in May, last year’s 10 year plan I think it was $150 million, the year before that was $160 million. With modernization layered in this year our total 10 year budget was about $186 million. So 28% approximate increase over prior years’ budgets and not a significant increase to our total plan spend if you look at it at a high level.
Mr. Chavez stated but I think the key to note is we’re putting in the right processes and then layering in technology to support those processes; work management system is one.

Commissioner Holcomb stated it's just for me, when you say $189 million investment, you say 10 years. It's hard for me and again, I don't have the knowledge you guys do, but it's hard for me because we don't do anything that fast. When you talk about $180 million, that's major, significant investment to all of our facilities. And then I sit here and go 10 years, we can’t, it takes us a year just to get the study. So that’s the part for me is the speed in which we operate, it’s like come on already. And I understand what it is but I think if you can identify it, value it, prioritize it, fund it and get it built, I think that part of it is a huge part of this whole conversation we’re having. It just seems like it just takes forever to get the smallest stuff done.

Mr. Bunch stated historically, we sort of split ourselves down to we, we bits and pieced a lot of projects, we would put this over there, we would put that over there. Ms. Couillard and the Engineering team are now consolidating so things like the project that we just presented a few months ago, the North Causeway, there are several projects that were brought together and will be awarded as a lump and as a turnkey. We’re trying to get out of our own way on some of these big efforts and we will certainly do that for these going forward. And then part of it too, I'll be honest with you is the procurement process that we work in under the Sunshine Law. I’ll tell you in my prior job my signatory approval on any day was a million dollars, it’s $75,000 here. The Directors have $10,000, that requires a lot of bidding and approvals and advertising that it didn't occur as much in the industry I previously worked. That's just the world we work in but we're trying to get better in how we execute by pulling a lot of these big projects together and saying here do it. And the Smyrna Sub. Project is an example of that now, we have one contractor doing all the work out there. Once we got the permitting approved, which was nice delay of six months or so in of itself, they were able to move ahead better. So we're trying to improve the speed at which we can execute as well.

Mr. Wilson stated and so just to what's going to speed that up, what you're talking about, you know, the things that help is a., the people in this room that are the management team, have that experience of working faster and quicker to go down this path. B, rather than having the bits and pieces of investment, just, you know, we've got to go, it failed, we've got to replace it, that kind of stuff. The roadmap goes into those kinds of levels of detail to make sure that when I’m planning, I’m doing modern distribution planning, you’ll see this when we get to it, that I’m planning for these things more effectively and it’s tied to my 10 year capital plan. Now realize, and this is really what's important, this is why it's very manageable, the 10 year capital plan is revisited at least once a year with you guys, and then for every project that comes up in that current year, so it's a living kind of thing. It's a roadmap, so to speak right, but nothing's concrete really in it unless it’s getting spent over the next six months to a year probably. Because thing's are going to adjust and you’ve got to have a good business case. And this is where it comes back to the truly good business case, in my mind and what I’ve seen, is not metrics on performance of an asset, it's how does that metric, performance metric improve the value. How do I translate that performance metric of an asset into actual value creation. Now some of it is dollars, some of it's just like safety. I mean, how you put a measurement on safety, a dollar, you don't. Okay, I mean, they can, they do, but they don't. So, if its safety based, like there's some just do it you'll see on water, yes, that deals with chlorine gas because it's a safety issue. And you’ll see that, but putting this in place and I’ll go to water, and one thing Mr. West has talked about, not to put him on the spot here, but his having programmatic annual replacement programs. For lift stations, for vitrified clay pipe and other pipe in the ground. Because I mean, the example you used with me, directed to Mr. West, you’ve got 104 lift stations, I think at once. If I replace two to four a year, I mean, that's a 25 to 50 year cycle of replacing my lift stations. So, let's just make it programmatic, right, it doesn’t have to be a major project, that kind of stuff, it’s just (programmed) and you just churn them out.
Commissioner Holcomb stated no, that’s like for me that makes sense. When I was in the Navy and we were on a ship, every working operational piece of equipment we had from a door to it just didn't matter, all had either a weekly, you know, semi-monthly, semi-annually, it was all drawn out. We woke up and we said, okay, we're going with yellow cards. That was the day's work we did because it was identified and brought up. And I was on a ship that was 35 years old and so it was, it was still in very good working condition because those processes were followed the life of that ship. Obviously, like, for me, I get that, it's just seeing it and then pulling in off is, makes sense.

Mr. Wilson stated and that's a big part of what you're going to see. When we talk asset management, it’s maintenance management is what's included with that, that ties to work management. I was in the military, I was in the Army, so I get what you're saying, and that was preventive maintenance we called it. Then it sort of evolved to condition based maintenance. So, I could look at the condition and with the preventive and say, okay, maybe we can get another few months out of it, or whatever. Now where it's evolving, and this is where asset health data and stuff like that out of my GIS system helps. Where it's evolving to is the predictive maintenance, where based on the data and the monitoring, I can determine better than just condition based or preventive. Do I need, what is the replacement cycle, am I going to have a particular issue with this series of transformers? I mean, I know in utilities they saw in that, or even failure data. You're able to do that and say, oh, look, there's some correlations here, these transformers, I'm going to have more of a problem with so I need to manage the load down on these transformers on a regular basis. Well, now I’m getting into voltage management and all that, it’s just like on a ship. Yes, what do I do in conjunction with maintenance and operations and that's what the roadmap pulls together, that kind of stuff. Does that make sense to you?

Commissioner Holcomb stated yes.

Commissioner Davenport stated I have a question.

Mr. Wilson stated yes sir.

Commissioner Davenport stated you mentioned 104 lift stations.

Mr. Wilson stated I think that’s the right number.

Commissioner Davenport stated what's the average age of the lift stations?

Mr. Wilson stated I’m going to defer, I don’t know that.

Mr. West stated as far as an average, we have from brand new out in Venetian Bay to 40 plus years. Average age is probably 25 plus.

Commissioner Davenport stated 25 plus years is our average age, and what’s the life cycle?

Mr. West stated well, it depends on the quality of the asset you put in. Some of them are just safety issues that we need to address, those are canned stations and had a program in place to replace one or two a year. So as far as the lifecycle, they're going to tell you 30, 40 years is about as much as you can squeeze out of something before you do pretty significant work.

Commissioner Davenport commented, a lot of flushes.

Mr. Wilson stated and if you get that kind of lifecycle, that’s a lot of maintenance.
Mr. West stated yes, it is.

Mr. Wilson continued, that’s the preventive, predictive kind of maintenance programs you’ve got to have in place to get that right?

Mr. West stated and I’ll tell you our guys do a great job of keeping this stuff running and there are maintenance programs in place, in people's heads. We're doing it, we're going out, we've got our rounds. We're visiting every station at least once a week, if not more if it's a critical location. But, these things are getting older, their pieces and parts are wearing and we're getting to the point, of some of them where we're talking about complete rehabs or even replacement on some of the canned stations.

Commissioner Davenport stated what about, you mentioned earlier about this in the grid and how all this technology merges together. Do we have it, are we capable now of seeing hey, something's getting ready to go bad on 5th Street lift station; do we have that in place? I mean, I'm just curious how it all comes together.

Mr. Wilson stated well Mr. West can answer, but my guess is some of the more senior guys can go out there and they’ve got knowledge of the system and probably could make some of those calls, but it's not formalized.

Mr. West confirmed, it's not formalized. There are programs, computer programs you can put in place, maintenance management systems, that will spit out the, you said yellow cards, it will spit out those cards that the guys are going to take care of this week, this month, this year, even this day. But it’s not formal right now, it’s just kind of we’re going out and we’re doing it. The guys know what they're supposed to do because they've been told by the guys before them what they were supposed to do.

Commissioner Davenport stated exactly, thank you.

Mr. Wilson stated and that's particularly important on the electric side, because those, if you think about water, I mean water, you're pumping it through the pipe and if you get a leak, it's not like I can reroute the water through another pipe and still serve those facilities, I’ve got to fix the leak. Power side, where it’s going is how do I reroute stuff to minimize like an outage, right, so now I'm using more technology. So the institutional knowledge of the system is important, but that changes too. So, I got new people coming in, premises, I'm working, you know, to build them into the field services teams and all that stuff. It's a blend of them learning and institutionalizing what's known out there of the system, as well as how we are modernizing and them growing with that. So it gets, I don't want to say it gets more complicated on the electric side, but there’s a lot of moving parts and pieces to do that. And that's where these programs come into help and formalize these programs and formalize the knowledge. And is that fair Mr. West?

Mr. West stated yes.

Commissioner Holcomb stated but you can still evaluate that based on performance standards, I would assume. Because that was the last thing, where you put the quadrants right, directed to Ms. Couillard. And saying, okay, we’re going to break it into four quarters, I think it was four, but that okay we have more outages here in this area. That’s going to prioritize our investment, and operate for our people. That, when you said that made sense and then that's the identification for me because it shows I need to go next, I need the investment, data supports the investment, and that's for me how I live.

Mr. Wilson stated and that’s my point, it’s all metrics based, our performance, right?
Commissioner Holcomb stated yes, but I’ve been here for four years, it hasn’t been that way, so that’s why, it’s kind of when I see it, I’ll believe it.

Mr. Wilson stated okay, we’re good? Okay, now you guys kind of understand the importance of connecting grid modernization to today, that's in thinking about it in these four buckets we’ll do. So, as I mentioned there were three major studies done over the last year since last April. The distribution outage assessment, reliability analysis, and performance improvement study which is based on the power side of the house by Burns and McDonnell. Stantec did the water side, an optimization plan, which they just finished up. And then Quanta did the technologies assessment, kind of what’s available out there, the functionality of the technology. And now you’ve got to figure out okay, it does this, how do I use that to support my capability to do all this stuff we’re talking about. The next two slides and these really are for you guys. And what we tried to do here is just say, okay, if I think about those four buckets of modernization and they can occur in parallel. Where, based on these studies, am I seeing the needs or improvements, modernization, and how much. And that kind of says where I am in my stages of modernization. So if you just visually look at these two pages, 19 and 20, reading vertically in the columns. Obviously, the first two columns of asset health and corrective action, aging assets, performance management, reliability improvement, all that; there’s a lot of stuff, okay, and I’ll go through it. When you go to grid modernization, the first thing, and this is what the blue arrow and the bracket on the two pages really show, is the technologies that we're talking about, SCADA, AMI, distribution automation, very much help the first two columns that I'll go through here in a minute. When you look at the opportunities for benefiting grid mod. in that fourth column, your market’s not completely there yet. So this just affirms the statement, if I’m going to use these technologies, which I absolutely can, they really need to help my first two buckets first so I get the value today. It needs to be metric based, it needs to be integrated. If I’m going to have an asset management program to manage the lifecycle of my assets and optimize it, I need to have good maintenance work. And that needs to tie with my operations programs because how I run those assets obviously affects life and maintenance, right. It all needs to sort of fit together. That’s what the roadmap is going to show you.

Mr. Wilson continued, so let me, and I’ll try to be expeditious here and walk through these four columns because if you understand this, this is really kind of in layman’s terms or somewhat layman’s terms how to explain why we’re doing and what we’re doing around the roadmap. So as I said, it will start in the column on the left and I’ll go all the way down it and then to the next page and go back up. The first thing that jumps out is aged end of life kind of systems. Your substations, circuits, pipes, lift stations, they've been maintained as well as possible, okay. So to your statement, the crews out there are just marvelous. I heard this last year, you know, Mr. Mine’s crews on the power side, when you have an outage, they come heck or high water so to speak, out there no matter what, right, taking care of business. So they’ve absolutely created miracles with what they had to work with and that was the point here. But basically what happened from an asset improvement was basically repair or replace. When it failed or blew up, okay, we put a new one up, otherwise we patched it and made it work. It's now gotten to the point where parts are difficult to obtain, because this stuff is aged and there’s sort of this mixed mass of standards, which makes it even tougher. I remember, you know I’ve done this 30 years, so obviously Delta and I are very good friends out of Atlanta, right. And I remember probably fifteen years ago when they consolidated, in their maintenance and their parts, the aircraft they had. Because they had some Airbus, they had some Lockheed, DC 10, 11’s, they had Boeing. So you had to have maintenance and parts and inventory for all of that. And they needed standards and they had standards, but they consolidated. You guys have had really minimal standards, I won't say no, but minimal. So, it was just sort of kind of what can we get, what could we procure, I’ve got to work you know within budget limits and stuff, it works, but I got this mismatch. So that was a piece to deal with. I’ll jump down to the second bullet, basically there was no formalized asset management strategy and maintenance, the associated maintenance management programs that go with it. And let's be honest, I'm not sitting here trying to ding the former administrations or whatever, a lot of this stuff wasn’t
that much in place back five, ten years ago anyway, to be fair, okay, in utilities. I mean there were but it's gotten quite sophisticated now, not that you have to get all the bells and whistles, but amply sophisticated, even at sort of the entry mid-range levels. With data, with sensors, the ability to monitor and that’s what’s evolved, like maintenance programs. Okay, so you need a formalized asset management system. And just the sub bullets there, you know, to know your asset health, the risk associated to optimize lifecycle. How do I run them and to schedule your replacement and upgrades, this is how you prioritize. You brought up earlier how to prioritize, where to put it.

Commissioner Holcomb stated the reason I ask that is because you’re talking about a lot of equipment and then taking that equipment, putting it in, and there’s operational expense with it, maintenance expense and all these other things. So for me I bought a state of the art stores, best technology there was. We have alignment machines they go through, you basically cap the cars and they’ve got lasers and it's so much faster than the old way of doing it. So, I buy it, get them done, I’m in there, drive up to the tread depth check, drive wall room, we’re done. So when I went to upgrade and integrate with my system that I have, I said okay, then we’re done. So I want to upgrade and integrate with my system that I have, two years old. I said, okay, and now because I have to use the new system, I had two people to operate the caps, put them on the car tires. Well now with the new system, guess what you don’t need, two people. So from a technology, for me because that’s my own experience, what are we going to be up against, how do we navigate not having that happen to us. Because you're like, oh, it's just different, but it is different, you start taking two annual salaries a year and putting it with it. That's expense that goes, I can take that labor and put it some place else.

Mr. Wilson stated and that's why in the roadmap that you will see, and, I mean I don't want to say it's high, high level, because it's layers below high level, but it's not so much in there. I'm going to lose ya'll in about fifteen minutes into it. But that's why you see that, oh, I’ve got to do this modernization with how am I going to change my operations to get those metrics improvement? How does that affect on changing my asset management? How does that affect my maintenance? How does that affect my work management? How does it affect my staffing? How does it affect where I'm going for new resources with new skills and training, converting people? Like AMI, AMI has been a problem in our industry because what do you do with all the meter readers? Their meter readers, they have to be repurposed. You know, or you let them go, but no one wants to let them go particularly if they’re Union and stuff. And you just, you’ve got to repurpose them or give them the opportunity to do that. So that has to mesh together and you will see that in the roadmap. That's how you do it and it's all has got to mesh together around metrics.

Commissioner Holcomb stated and again, I'm just like from the technology, you say ten years. I'm just looking at we're identifying a need, we're prioritizing. I go to bed with the best technology that I bought, I wake up and it’s outdated. I mean, that's equipment and technology, that’s how fast it changes and you’re like, and a major investment.

Mr. Wilson stated yes, and that’s why I said upfront, in that stages of modernization to not let the technology drive the business, to let the business and the operations drive what I'm trying to fix, improve. And then the right technology is sequenced and timed, and that includes obsolescence. Okay, you know the example we talked about Southern Cal. Ed. and their quarter million meters, and their two million meter system. So a quarter million isn’t huge but it's a lot, 250,000 meters they invested in. And within three to four years, they literally had to dump them, write them off, and charge the ratepayer or you know they worked out some deal, but to put new meters in. And that was about, that was in the last seven or eight years or so. So this is, I mean, these are the multiple facets that you have to work through and this team here thinks this way and that’s the beauty of the smaller system is they’re all thinking this way. You go to a larger utility and I got the meter shop, I got the engineers, I got distribution, I got transmission and they’re all running their own little things and not talking a
whole lot to each other. And that's where these mistakes can happen more, where here you've got the advantage of you guys are smaller. But by going through and doing this kind of thinking and planning around process improvements and practices and all that, that drives the operations in the business to get real measurable value out of it. And then I pick the technology, and then I pick technology that isn't like the brand new thing necessarily, it's proven, and there is a proven lifecycle to it. And then I can also say, okay, well, you know what, I'm not sure we're quite ready on that technology, what are interim solutions I could do, maybe get more out of an existing asset. Well, the lime pellets from the water side, is a perfect example. We'll talk about this a little bit versus for lime softening of the water, the reverse osmosis versus landfill. It's a good interim step that will buy you time for the RO plant, possibly if you do this. But then it's not a three to four year solution. I mean, you still use the lime pellet stuff at the water treatment plant for 10, 15, 20 years. In addition to using the RO at the Water Reclamation Facility. That's thinking out of the box here, again not too far, but how do we actually do this smartly. And that doesn't mean, I'm not deciding on technology for, I'm deciding on technology 10 to 20 years out because I know it is so simple and so cost effective it ain't going to change; the lime pellet, that that's fair to say?

Mr. West stated yes sir.

Mr. Wilson stated it is so simple and so cost effective, that's a pretty sure bet. AMI, AMI management systems, using for OMS, those are pretty sure bets now; I think it's fair to say.

Mr. Bunch stated yes, I think we've got the benefit of everything we're going to be talking about we're not on the bleeding edge of technology. Folks tried, implemented, worked it. We're to the point now as we move to implement things on the roadmap, other folks made the mistakes like the Southern Cal. Eds. and others who might have been early adopters. Quite often the big utilities are paying for the development of systems as they're the first implementer and we're not, we won't be that utility. We will be adopting tried and true technology, predictable outcomes.

Commissioner Davenport stated I'm curious on something that you just said there, Mr. Wilson, regarding the lime pellets and the reverse osmosis. At about two months ago, at someone's house, a friend, supporter, had a reverse osmosis under their sink. And I took our City water and then went over here to his reverse osmosis and I said what in the world. Oh, my gosh, it was like it's the best water I've tasted. How in the heck could we get our water in New Smyrna Beach come out of this faucet as good as it's coming through his filter underneath his sink; that's all it is, a filter. I bought one by the way, $260. By the way I bought two, three, and I love them. I won't drink water without it. I mean, could we achieve something like, in our water system down the road here, besides… I know the lime pellets, I think I heard you say it's pretty cheap, and reasonable. You didn't say cheap, but affordable?

Mr. Wilson stated affordable compared to reverse osmosis at that utility scale level. You'll see the numbers, they're in here.

Commissioner Davenport stated okay, thank you.

Mr. Wilson stated but I don't want to set expectations for Mr. West though, I'm going to let him talk.

Commissioner Davenport stated I'm thinking of this big filter out west of town for the reverse osmosis.

Mr. Wilson added, or they won't let me come back here.

Commissioner Davenport stated $100 million to Commissioner Holcomb.
Commissioner Holcomb stated that’s the bone I don’t want to make, that’s what I’m trying not to do.

Commissioner Davenport commented it’s just amazing the difference.

Mr. Bunch stated Mr. West do you want to say something?

Mr. West stated there are things but we can get into it when Mr. Wilson talks about the lime pellet and the RO and everything, in the future part of the discussion. Yes, we can, with RO it’s going to be a different quality of water than we have right now. The one thing with RO is you’re taking out a lot of the hardness, almost even too much of the hardness that you’re taking out of the water which leads to other ramifications within your distribution system. So we have to add back in some of those minerals that you’re stripping out with the reverse osmosis system on a utility scale. It's a little bit different than the under sink type systems and certainly the order of magnitude as far as cost is pretty significantly, there’s a little bit of sticker shock as far as the utility scale solution to it.

Commissioner Davenport stated thank you and that makes sense. When the water's really good then when it goes through the whole system it’s going to cause other problems like you said the minerals.

Mr. Wilson stated okay, so let me try to move to this. Again, the left column about your aging assets, asset health, corrective action, if you think this way. Older, end of life systems, lack of a formal asset management strategy, including the maintenance. Limited asset or health data to help planning, and we'll talk a little bit, sewer, water model planning to optimize. Electric planning with WindMil, reliability planning; you don't have necessarily the data. If I flip the page, twenty, to finish out that column, minimal outage data coming in with the GIS data to help you basically as another layer of your maintenance programs. The reliability-centered may be more predictive using failure data. And also to manage, to plan and manage outages, not using what I’ll call grid management systems. So, for instance, using the module out of Cogsdale, the CIS system for OMS, for outage management. Or using the AMI system to manage the meters, their own modules. Because most of the them have it versus just buying a whole new OMS system which is a much bigger expense, and now I’ve got two systems I’ve got to deal with kind of thing. And then the last bullet, you know, and again I'm not being critical of the past because it just isn't here, but you saw these in utilities all over the place, major large asset buys. They buy big assets, right, kind of the shiny toy thing, right, had a need for it no doubt, but didn't, sometimes it was reactive, sometimes this is the shiny toy, we know we've got to go buy something to do this. What else can I do, what was the business case driving this? What else can I get out of it? Is there an interim step? You know kind of like the lime pellet stuff versus the RO, that kind of thing. That’s stuff that these studies identified, to really come back to how am I getting the metrics performance you're talking about across operations, across maintenance, asset lifecycles, staffing, and work management. That's all affected here, you know, I don't buy a new alignment system, and I got guys putting the couples on the wheels and I no longer need those. What am I going to do with that, I don’t just keep paying them. So all that’s got to be figured into this; makes sense?

Commissioner Holcomb stated yes.

Mr. Wilson stated so let me go back up to page 19, just down, the performance management. Again, big reliability issues that we talked about and I just sort of tried to put in layman's terms here. One thing we talked about a lot last year was these long circuit runs where you had minimal ways of isolating. You know, the breaker at the substation would trip at the distribution level and take everybody out for miles. How do we sectionalize that better? And that's just SCADA, distribution automation, I mean stuff that's accepted now, I mean, it isn't that futuristic, that stuff that can deal with that. Momentary outages, everybody gets annoyed when their clock is still blinking. They come home and their clock’s blinking, right, because there was this blip. Some have batteries in them
now but that kind of thing. So you can put in trip savers and you see that in the capital budget, you know that deal with momentary outages. And these were things that came out of the Burns & McDonnell report, this is stuff that you can do. Let me just see here, then the third point down there, limited cross ties between circuits with basically auto switching. So if I get a fault, I've got some cross sighted laterals that can automatically switch and isolate default and limit the number of customers impacted. You still have people impacted, but it isn't like this (displaying widespread), it's more like this. Okay, these are things that we can do now. I mentioned the whole, you know, and when it does come to an outage restoration or something, how do I get them to the right spot faster? Well, if I have an AMI on the system, that tells me at the end of the line, who's got power or not. And if I can see that, I know hey, I don't have to go ride the lines and try to listen in to the call center, who's calling in to report an outage and try to zero in to where this thing is. I can see it, so my field services are going to get out there a lot quicker; things like that.

Mr. Wilson continued, the second bullet down under that column, formal work management program. I mean, Mr. Bunch alluded to this, several others, you know planning, scheduling, estimating costs and tracking the work. It happens but not as efficiently as it could using a management system. If you go to the next page, how do I manage work in real time. I can schedule work and send the crews out, here's your paper slip all that kind of stuff but then I get issues that come up. I get an outage to come up, I've got to go service this. How do I redirect those in real time. I can't do that right now without a work management system very well. This was mentioned, unable to update after an outage occurs or repairs occurs back into GIS, okay, here's the condition of the equipment we repaired this. That doesn't, I mean, it's done manually eventually.

Commissioner Holcomb stated so it sounds like we have the information we just don't have it in the system so it's easily accessible to make a decision.

Mr. Wilson stated you don't have a system.

Commissioner Holcomb stated yes, I got it, the reason I say that for me, yes, I get that, operationally to work with that would drive me nuts. I mean, I don’t even know how you would…

Mr. Wilson stated think back to the old auto shop, the garage, the paper ticket. They wrote it out and it got stuck on the bulletin board to get reconciled later.

Commissioner Holcomb stated and that's not, like I said, it's not too far from where I've just transitioned off of that probably three years ago. The technology and getting the labor to acknowledge the technology, that's a mesh itself. But you know for me it’s the data, the common statement I get from the manufacturers is we have that, we have that. I'm like, well, it takes 14 minutes, if I’ve got to call a customer, to pull all the data. It takes me 14 minutes to get all the data to call the customer to have the conversation; then I'm hoping to get him on the line.

Mr. Wilson stated that's right.

Commissioner Holcomb stated you know what I’m saying, then how many phone calls, 14 minutes to acquire, you know, say how many phone calls fourteen minutes to acquire the data, and can it actually be operational? So for me, I get it, for the worker it’s miserable.
Mr. Wilson stated yes, so these are kind of the bullet points that you can relate in laymen terms to your own businesses when you’re talking. You know because you guys are Utilities Commissioners and part of the leadership here, but you’re also ambassadors out there to the community and the customers. For them to understand why is the utility, the municipality doing this?

Commissioner Holcomb stated and that’s for me like when you go out and defend your vote or you defend your investment or defend whatever you’re doing. You know they come to you and say this is why they need it, and is Mr. Mines a better salesman than Mr. Beyrle, it was a presentation because that’s all we had to go by. There was not a standard in which I could look at that and go yes, that meets our standard, that meets our criteria for investment, let’s go. There’s just been go put a pitch together, stand in front of the Commission and tell them why we need the money.

Mr. Wilson stated and see they’re changing that, this leadership team. It’s really got to be about the value for the assets, the operations…

Commissioner Holcomb interjected, and the consistency of the decision, evaluation for the decision, for me. Because I’m not going to plug anything in, I’m not going to connect anything, I’m just going to approve them and I want to be able to understand with confidence. Not understand how to put minerals in water, or connect, I just want to know this is the greatest need for our system and this is where I’m going to put my vote, my dollar. I just want to understand it but there’s never been any consistency in how we came to the decision.

Mr. Wilson stated and so the roadmap puts that consistency in place.

Commissioner Holcomb stated yes, a little slow but I’m catching on.

Mr. Wilson added, yes, it generates the business cases and then stated this is the intent of this workshop, is to help you guys hopefully understand this, this was the intent. So, anyways, the last couple under those, you know we've talked about more visibility and sensors and how that lowers risk, allows you to respond quicker, etc. And the whole staffing thing that we talked about, just not only from institutional knowledge, but what I need to bring in my new working staffs as I grow over the years. And one point here that's interesting, I found other utilities doing this, small ones in particular. In this transition to the utility of the future they are, in some cases, outsourcing that to learn. And so they don’t have to maintain a resource. They learn and then two, three, five years, whatever, they start to decide oh, I'm going to bring that in house or I'm just going to keep outsourcing. So, it's a cost effective practice that still allows you to have control, which is what you want. I mean, yes, that is what you want, but it's an effective way of managing staff; and so I threw that in there at the bottom. So anyways, third column grid, modernization. I mean, this is where all the kind of the fancy stuff begins to occur, right, all the fancy systems. And there's two major points, and they're in blue there, the tools and technologies, here are data. I mean, there's just no getting around it, and many can be easily updated and there's multiple paths. Okay, it's kind of like the ROI and lime pellets, things like that. Or do we use, buying an OMS system or just use the AMI or the Cogsdale. There are immediate upgrades, I'll say immediate, there are immediate or readily available upgrades to SCADA and stuff like that. Newer technologies that easily help address the two columns to the left. And that's what's listed under the second bullet, just examples of that. And we’ve kind of been talking around it. I don't know that I need to really walk through each one of those at this point because we're going to cover some of that stuff. You know, just the WindMil, reliability, optimization planning model. How do we operate the power grid? It's the power flow analysis, all of that. That one model, you guys own it, engineering and power are now bringing more of that capability. I mean, they've got a guy in house that can work it, but doing more of their own, that's cost effective. It means you really own and run in playing your system and that's going to be helpful, and you'll see it later in the roadmap, like, when
other distributive energy devices start showing up, things like that. Because you get down to circuit
level modeling here and to understand where you need to invest.

Commissioner Holcomb stated so I’m going to give you an example, Mrs. Keehn with I.T. When we
got into the weeds in I.T., it wasn’t a department we just had I.T. And then there were some outsource
and some employees, some employees left and then we had to void and then we were throwing dollars
after the I.T. system where I didn't want to be, I’m sitting here thinking we need to be secure, we need
to make the investment, but it just seemed like that was a reactionary process to something that we
should have known was coming. I mean, I.T. is something and Mrs. Keehn did a great job in trying to
explain it to us and bring us up to speed. But it just seemed like we never, we were always behind, we
were always catching up. And going through that for me was, you know to watch the employees
struggle and then us being held captive by our vendors because now they know we need them so your
leverage is gone, you know, so now you're paying the premium. So to kind of walk through that, when
we went through that I would just shake my head and go how did we end up here. And now, it’s a
Department, it’s got a budget, it’s got a manager, it’s got investment to the future. So again, if we
took the standards that we’re creating she would be walking into based on this criteria we have. This
is why the investment’s going to be needed, this is how long it’s going to last. We didn’t do that, we
were like this is broke, the plane’s going down, we’ve got to find a soft place to land. And so for me
that was the ride, Commissioner Conrad you weren’t here and I don’t think Commissioner Davenport
was, but Commissioner Biedenbach was.

Chairman Biedenbach interjected it’s scary.

Commissioner Holcomb continued, I mean it was literally hundreds of thousands of dollars we were
walking into every month.

Chairman Biedenbach stated every 30 days.

Commissioner Holcomb stated and all she was doing was dealing with what we’ve given her, it’s not
like she created this department, she got the mess and then had to work her way out of the bottom of it.
So it just seems like when we’re in the weeds like that, seems like there would be a better tool to help
us get out of the weeds because that was painful. And I’m sure it was a lot more for you than me,
directed to staff, but I just don’t want to ever be there again because that was just not fun.

Mr. Bunch stated so we centralized the budgetary responsibility, kind of spoke to that. We also took
stock and inventory of who the vendors were we were dealing with, and then the one vendor you're
mentioning, that we feel like we were being held over a barrel by, we got rid of them last year. We’re
now dealing with a more industry, favorable consultant for our enterprise systems. And then overnight
the drama’s just sort of dissipated and oh, by the way Mrs. Keehn and team saved a significant amount
of money on the consolidation of those dollars and getting better contracts. So her and her team are
doing a lot of good stuff there. Looking forward, we're trying to figure out well, if we’re going to be
doing this, that and the other system, and what might future staffing look like. So we’re working, kind
of looking out on the horizon in that direction now. But there was some unhealthy vendor relationships
and the dollars were all over the place. To her credit, she’s put her arms around all those dollars and
we’re saving money.

Commissioner Holcomb stated right.

Commissioner Davenport commented she got her arms around that money.
Commissioner Holcomb stated but for me when we saw a problem, and again relating to the ones that were here, watching us navigate that. But if I’m an employee, and you wonder why people come and go, well I can tell you right now if that’s the way we’re going, we’re going to have a lot more going than coming. And for me, in trying to value the budget, are we going to get to the end, it was I think this is going to do it, I think this is going to do it, and then we would find new land mines. So, like I said my experience or my experiences, and what I watched and witnessed was not fun. And I think Mrs. Keehn caught me and yelled at me because I was asking too many questions, it was really just trying to figure out because when you start walking in and dumping a couple of hundred grand every 30 days, you want answers. And unfortunately for her, she was just the one that got the task of cleaning up the mess.

Mr. Wilson stated holding the ball.

Mrs. Keehn stated if I could just interject, what you saw with the I.T. system, your length in time of something, I.T. systems are very different than O.T. systems. So what you are seeing from us was you’re right, the next day it’s already antiquated. We were looking at servers and Sans and systems that hadn’t been upgraded for years and years, and that you can’t, because of the cyber risk to that, there’s only a certain amount of time when they become end of life, end of maintenance. So when you’re putting critical things in such as Finance, SCADA systems, those things, they all started to fail at the same time. You couldn’t use them anymore, needed to build capacity and at end of maintenance must start looking at replacing services and Sans for the organization and they didn’t keep those up to where they needed to be; there was nothing else you could do. Add that to a vendor, like you said, was prime dollar, and she was the one managing, it was 40 hours a week time whatever she was an hour, plus the other vendors because there wasn’t a staff on site to buy the equipment and install it and everything had to be replaced, literally the entire data center for the organization. As well as for the other sites, the switches, the routers, everything had become end of life the maintenance and we could no longer use it. You kept seeing this come in and there’s nothing you can do, you have to replace it. So where you’re looking at, the OT, those have a lot longer lives 15, 20, 30 years, that we’ll be able to use some of those depending on what you get so it’s not like a server or Sans where you have those, all small increments of time, but I think you'll see more value, In what you're saying is you buy it and the next day it’s gone, but if they have a server, Sans, that supports it with their data, their backups, that’s going to have to be replaced. That’s the I.T. side, but the O.T. side you get a little bit of longer life.

Commissioner Holcomb stated right, it’s just when I find out, what we’re getting to here though is we’re going to see that coming. It isn’t just going to happen on the watch and go fire in the hole, let’s go handle it.

Mr. Wilson stated we’ve got to react, right.

Commissioner Holcomb stated so again, you only experience what you experience and that was for me, it was more reactionary than planning. This sounds like a more projected planning with a scoring mechanism that identifies priority.

Mr. Wilson stated right and the other value that brings, particularly when dealing with technology vendors, because we’re seeing this, is with you guys doing your planning across operations, assets, which drives the technologies I need like you’re discussing. When you go to that vendor, often vendors they only know what they’ve worked on with their technology in some other utility. So you are now in control saying vendor, here’s where I’m going, here’s what I need. Not, vendor tell me what I’m supposed to do. Many utilities they go to their vendors, they go to Siemens, ABB, whatever, and it’s like well you’ve done this tell us what we need. So they tell them what only they know, that doesn’t mean it really fits their business. What you guys are doing here on the modernization roadmap
brings that together across the organization so you control the vendor and cut your risk on a lot of what you just talked about. And makes, obviously, Mrs. Keehn’s life better too. I mean she did a great job with it.

Commissioner Holcomb stated yes, she did, but that’s where you get an employee going if I don’t get the resources and the help, then I’m out of here, and you lose good employees because…

Mr. Wilson added, and it moves you out of the reactive mode is the key there; you see that.

Commissioner Holcomb stated no, 100%, it’s the worse way to manage.

Mr. Wilson stated okay, so all the technologies really support the two columns to the left or the early stages of modernization. If I go down to the next page, the bottom bullet, when you think about stuff that’s kind of in that grid mod. zone, it’s slow here, okay, like many parts of the country, it’s slow. We see on the horizon you’re going to get distributed solar, EV’s are going to show up here at some point. With that in the above, the benefits you’re getting out of reliability, supply cost management, conservation management with these investments, that’s where you will get value now, in sort of that grid mod. column. You’ll see LED streetlighting, obviously I think the City’s going to be interested in that, and there’s some real benefits with sensors you can put on the new streetlights from 911 services and things like that, so it’s just, it’s beyond power kind of thing and it’s quality of life. And then on the horizon you’ll see storage start showing up, FPL’s doing a ton of it. You’re going to start seeing it in residentially, you’re going to start, I mean you’ve got a pretty good mix here of people that have second homes and they want to make sure, so you can see community storage. You could see building storage, you could see home storage and Tesla and all that. It isn’t necessarily next year, but it isn’t that far off. You need to have a modern grid to deal with that, voltage management and all that kind of stuff. All the stuff you’re doing in the first two columns will help when this begins to occur. And then you can go to the right there, I ran out of column and didn’t want another page, undergrounding obviously, specifications and standards for that are in the development. And then this was part of the recommendations out of Burns & McDonnell, your level two reliability improvement programs that Ms. Couillard briefed you on a couple of weeks ago that you’ll get, the whole cross feeder, load balancing, all that. So these are just things and why are we doing this, it’s to optimize the system, manage risk out of delivery, that kind of stuff, and it all helps our aging assets, our asset modernization, etc.

Mr. Wilson continued, if I go back to 19, the advanced market stuff, again, there is not allotted aggregation of demand response, things like that. Where I can take multiple houses and put them in a zone and create like a resource base. I think you guys understand that, where I need to lower load because I don’t want to have to buy more supply that’s more expensive. I could idle them back through demand response, the old DSM demand response, you could aggregate facilities to do that. That stuff is kind of out on the farther edges of where you are. So some of these advanced systems like ADMS, the automated distribution management systems or DR management systems, that’s not really in the technology plans. They’re out there in the holding pattern is where they are and you’ll see them noted on the roadmap, but they’re potential or future, you’re not spending that money. So really the technology is lined up to what am I dealing with today and in the next three to five years, while thinking about what comes post that and it evolves with it. And that’s what the roadmap shows you, so it deals with what you talked about. That brings me to the point of going into the roadmap, and everybody’s been sitting here for about an hour and forty-five minutes, is it appropriate to take ten minutes.

Chairman Biedenbach commented you were going to get cut off in another ten, I was going to let it go until 2 (sic 3) o’clock.
Mr. Wilson stated so when we come back we’ll dive into the roadmap. Again, there’s a fair amount of detail and I’ll try to keep it at a level enough where you see the flow, you see the depth, but you don’t get lost in the weeds; fair enough?

Commissioner Holcomb commented we’ll be in the weeds, but we’ll try to hang on.

Mr. Wilson commented I’ll be driving along the road with you with a rope, kind of pulling you back to the white line a little bit.

Commissioner Holcomb stated okay, thanks.

The Workshop meeting then recessed at 2:51 p.m. and reconvened at 3:05 p.m.

Mr. Wilson then stated the first page is just the overall roadmap in the organization, the structure, and it’s up on the screen so you should be on this page, for Commissioner Hawes on the phone, it’s the second file, the appendix file, page A-1. So what you see, the way it’s laid out is there’s four paths, just like they came out of the Vision, Mission, Values work. The market path which is your customers and community, the electric business side path, the water, wastewater, reclaimed path, and the organization path. Now, timeline, I put 20 to 30 years because it obviously has the 10 year capital budget in it, which is revisited continuously, year to year and then with each project within a year, but it is that span right now. When we walk through the other areas below the assets, and I’ll talk about those. Those, who kind of in my mind, are the next sort of three to five years, almost like a ticker tape. Just expect that to move along and the next step will sort of fall in, but this is where we’re starting. For each one of those paths, there is basically an asset lane, a process, practices, program and people lane, and then sequencing of enabling technologies. We are going to spend our time in the second and third lane because the second and third lane, the process, practices, programs, that’s what we’re doing to change the operations in the business. And then we want to sequence the technologies accurately within those changes to improve the business. This minimizes that technology risk you were describing before we took the break, Commissioner Holcomb. And then we want to make sure that at least now in our capital investment program, the way we see it sort of playing out, the dollars we’re going to spend, you mentioned $180 million, it syncs up, it lines up. If I’m doing stuff and working and maintenance and all that, I ought to see investment up there supporting it, not just the technology actually on the grid, right. That kind of stuff supporting it, that’s what you’re going to want, that’s what you will see in here. Let me think, the last vertical column, pass the 2030, is potential and future, consider that like a holding pattern out there for aircraft. It’s circling around, it’s stuff that’s sort of on the radar but there’s no intent right now to have it join the landing pattern. Okay, it’s just out there and eventually it will come into play, maybe it’s the next few years, maybe it’s eight or ten years out, maybe it’s past that. But we want to keep an eye on it because it’s something that as we are thinking about what we’re doing here in that 2030 time frame, for the next five years sort of thing, that we’re not losing sight of it.

Mr. Wilson continued and stated all right, flip your page. So what I’ve done so you guys can track along and they told it is so hopefully it’s legible because I’m getting ready to go to the Visio program, is I’ve put on each page, each of the four lanes. So you can track along because I’m going to be zooming in and zooming out and all that and I think this will work. The first line is the market channel path and in that there is no asset investment, so all you see is what we’re doing. What we’re doing is in our programs and processes and what we’re going to focus on there, the technologies that are going to support that. All the asset investment in the budget to support this kind of stuff is down in electric, water and organizational, that’s why you don’t see an asset line. So is everybody kind of comfortable with the format around the table, okay. All right, I’m going to back out of this and I’m going to go over to Vizio, I’ll start walking you through this. Here’s the overall roadmap up on the
screen and what I can do here is I can zoom in and this will actually help make it go a little slower so I don’t lose you. But I can zoom in appropriately where you can read this and we can walk across it. So for instance we’re over here in the market, you’re looking at your paper, the first column is what are we doing from a process, programs kind of thing within our community, and here’s the technology alignment. So if you remember back in the Vision, Mission, Values, one of the focus areas was how do we increase communications with the customers and community. We want to message the value of modernization to the customer and reliability, performance, savings, services, etc. We also want to send a message to the City that our strategic focus can help benefit them for their community in the future. So if I go down and say what are the key enabling technologies of doing these kinds of things. It’s obviously the website enhancement and what we’re doing for customer education, survey, knowledge gathering standpoint. And I’m going to drill down into those real quick, but let me go to the next one because it uses the same pieces of technology and you’ll see, again, why are we doing this and how is it actually going to make a difference. Because I go, oh, we’re going to invest in the website, what does that really mean, right, that doesn’t sound too exciting to me. I think you’ll see that connection on what we’re doing here.

Mr. Wilson continued and stated the other thing we said we wanted to do, so if I move to the right, the second kind of key activity area that occurs in parallel, is understand the customers’ focus and priorities better and continue to build on what I’ll call our conservation programs. Okay, but that gets into the new kinds of programs that people are expecting out there, so it’s not just conservation any more. So that’s obviously going to use the website, the customer education and surveying and then the conservation technologies. Now how are we going to do this and this is where, so I’m on the map here, first layer, I can drill down one layer and now show you. So we just go here, and they’re all on the same page, we click to them, and then I’ll just blow them up and I’ll kind of summarize what’s in each of these sections. Let’s see, I’ll make it a little bit bigger. So again this is not just a tool for this workshop, it’s their management tool. So this is why, when we said okay, in the market, we want to message more, we want to learn more what the customer wants, we’re going to use the website. Why, how, what are we really talking about here? So if you think about your website, what we’ve seen is there’s this shift, is it current. It’s no longer just information, kind of contact me, you know if I get a contact for the utility, go here. What websites, companies are really using them for now is to engage with customers and have the customer take actions. And it’s a combination of websites and other portals like your mobile apps. Okay, so they’re using them to provide customer service like connects, disconnects, bill management, you’re going to change rates and all; how does that affect what I do. If you can put this stuff on the website, help them see that, then if they like the program or whatever, they can enroll, manage it. You’re eventually going to be able to update your system status, event status, outage management. This is one of the things that people love, okay, I’ve got an outage, when is the restoration, when is that kind of going to occur. And that’s got to be tied not only to AMI but the OMS system and your work management system and the crews out there; they’re managing the outage. So you see how these things begin to connect together, the systems, to run the business.

Commissioner Holcomb commented that’s exactly what I do, it’s like this is as clear as the day is long to me, this is exactly what I do every day.

Mr. Wilson stated good, I’m going to take that one as a positive comment.

Commissioner Holcomb stated DMS, CRM, OEM’s, they all work together because when they work individually it’s just a nightmare. Now is this a tool that’s going to be worked here, I’m just using this specifically as my account can be managed, just like I can sign in, log in and handle all my account. And then it’s individual messaging and so if I’m out it’s going to be able to tell me your address has been identified and then you’re, whatever the acronym is for the system, that’s the address it’s on, like what we’re doing right now on social media. You know the one thing I’ve heard from the community
is how much they love, people are now getting trained to go to social media to find out if something’s out. Which is good because it stops people from calling and they can get their answer without having to dial, speak with somebody; so 100% agree.

Mr. Wilson stated and that’s where it is going, now not to over promise and create problems for Mrs. Pitcher and others, it’s a progressive set of steps. But it incurs, your customer engagement incurs in line with are we improving the operations around like on reliability. How are we improving the operations around system response because it’s going to feed the website, it’s going to potentially, if you have a mobile app, you see that? And that’s what’s really important here to understand in my mind with your questions because you were saying how do I make sure, this all kind of ties together as an organization, as a system. That’s what this roadmap begins to lay out and put together. Okay, very good, but you’re spot on, this is what you’re doing in your business and this is what people expect. And so, you know, this is, I’m not going to go through all this, there’s benefits to the customers, it reduces walk-ins and lowers traffic, and there’s next generation dashboards. And let’s see, I’ll just highlight some of these things, this gets to your point you just made, customer education and survey. That really, customers want the information, they want to be able to make decisions without necessarily calling in and waiting on the phone. And that’s what people are using apps. and websites for. Your airlines, Delta, stuff like that, I mean I see it all the time, that’s what they’re using. But what they’re really doing, and it goes down to these bottom points, they’re not just educating but they’re messaging, facilitating the understanding of the programs and they’re teaching the customer how to use the program. Because ultimately if we’re going to enable some of these programs that are coming down the pike, okay, customers want to see if they can shift their load or whatever for better costs, things like that. I want to do them not just to benefit the customer, that customer, I want to do it so it benefits the overall system and other customers. So there’s going to be places I want to develop solar more, there’s going to be places on my circuits that I don’t want to develop right now, I want to kind of move it out and develop it with something else. These are the mechanisms, your website, your customer education tools, to do that kind of stuff. This is also the place to understand what the customer’s really looking for, kind of the survey on steroids kind of thing because they’re going to give you feedback. On the website, the mobile tools, Facebook, all that, you’re going to be able to bring that together. So this is a key piece of technology and you kind of can go to boring websites right, but to enable the whole customer engagement piece on getting them to think, then action stuff, that helps not only them but the system.

Commissioner Holcomb stated I just, you know be careful what you wish for because sometimes you start to get comfortable with that communication and then you over communicate and it’s not accurate, and as quick as you get them to turn it on, they turn off.

Mr. Wilson stated yes, and that’s part of the feedback mechanisms you want to see because I mean just for me there are things, and I always go back to, number one I love aviation, I’m an aviation nut but I spend a lot of time with the airline, and there are thing that I can do, happy to do on the app. or on the website but when I need something I want to talk to a person and I don’t want to sit and wait 15 or 20 minutes, and given as much as I fly. So you’ve got to find that balance, you’re never going to get rid of the people connection, you’re just going to make the less unknown choices easier to do and manage; and I think that’s a big part of your point.

Commissioner Holcomb stated yes, 100%.

Mr. Wilson stated so just to kind of cover those pieces of technology and conservation programs. Historically conservation programs literally have been about that, you know, how do I reduce and lower the amount of energy or water consumed and they were rebate driven, no tracking, no any of that really to know how effective they were. A lot of those efficiency conservation things have been
built now into appliances, white goods and home building specs. So where do we go with that? And what we’re really kind of seeing is things like demand response, distributive energy resources, load management, solar, things like that, or the new, what you would have called conservation programs. It’s the retail programs, customers, large commercial customers, residential, are going to be using or are using. Okay, and it creates benefits, I mean that are not just about the customer, and this is where it kind of ties back to the whole system thing. And hey, obviously shifting load, shaping load, moving load, that obviously helps my supply costs, but it also helps with my T&D circuits and equipment from a standpoint of asset lifecycles, maintenance, not stressing them out, things like that. It can reduce the impact of outages because if I’ve got, you know eventually you’re going to get better, but if I’ve got demand response in place now, right. And let’s say I have a fault and I’ve got lines that are trying to serve more customers than they typically have, I’ll have the line rating capacity, but I can also idle back on critical load which is the main response. They’ll never know it and it just lowers the stress on the circuits that are making up for those circuits or those sections that are out. So there’s real benefit and this is something you know for years utilities had a hard time seeing. There’s a real benefit of having these customers demand side programs if they’re done in design with the system. If they just out there, you know they use to say the demand side cannibalized the energy sales, which it did and that’s a whole regulatory thing issue right, but I can actually use it for asset management and asset health, maintenance, operational performance; it’s mitigating outages. Just managing down on a hot summer day so I don’t have to go to the market and buy more expensive energy because we’re coming up short; these are critical kinds of things.

Mr. Wilson continued and stated water modernization, not quite as robust in that sense of you know managing those kind of real time issues, but certainly reducing losses, emphasizing the use of the reclaimed or reuse market, that’s a big thing here. Okay, and that’s where those kinds of programs can go into places. Is that fair Mr. West?

Mr. West stated yes.

Mr. Wilson stated so that’s kind of, let’s just jump back up a layer now, because we’re going to get into some of the other stuff. If I go, kind of to the right, other things that I see in this market path coming up, one is exploring utility scale solar. So out of your substation, your transmission substation out there where FP&L’s tied in, is there opportunity for a utility scale project of solar for instance. And what’s really kind of cool about this is the bigger utilities love to partner with the smaller ones to do this because it’s just good public image, it’s just good all the way around and obviously they are able to fund with you. So that’s why I kind of put it in the sort of 10 year outlook, it’s not on the drawing board but it is certainly not something you couldn’t be talking about with FP&L. And it’s good for your community, it’s good for your system, it’s good for your power supply, it’s just there’s a lot of good things all the way around. If I move to the right on your sheet…

Commissioner Davenport stated if it’s that good, and the way you just went through it, it’s good for the system, it’s good for the community, it’s good for power. Why don’t we move that low hanging fruit you said a while ago, why don’t we move this up besides 10 years out? Why don’t we move this up quicker and investigate this. I know we’re already doing it, we’re partnering correct and some of our previous?

Mr. Bunch stated yes, I actually think we can look at this in the next year or two and it could be a pretty quick study. So for instance FPL built that solar site right on S.R. 44, they had to build a new substation and extend transmission lines to connect to their own system which is up by us. Our substation connects with both Duke and FPL right there behind Walmart. How much acreage do we have, 952 acres, yes, you would probably not find a better place to put solar but right now we’re working on Williamson Boulevard and getting some of the other alignments just figured out. I think
by sometime next year, I won’t say early next year, I think in the middle of next year that we’ll probably be in a position to have somebody look at this and say that’s a real viable area for you and how would you recommend approaching it. I have a hard time guessing it wouldn’t be. Right now we’ve got all of our resources and efforts focused on this and in running the business. But I do think Commissioner Davenport, some time next year will be a good time to look at that business case.

Commissioner Davenport stated thank you, it makes sense.

Mr. Wilson stated yes, and it’s certainly not ten years out, and you know, the comments.

Mr. Bunch stated and as Mr. Wilson mentioned, there’s a lot of partnering going on and that project we participated with FMPA on, there was no capital for any of us. The vendor supplied the capital, supplied the land, it’s more or less an operating type lease and those kinds of opportunities would exist for us as well.

Chairman Biedenbach stated when does that come on Mr. Bunch?

Mr. Bunch stated before the end of 2023, so if they get it finished earlier, obviously it will be earlier, but the performance contract is prior to the end of 2023. And he then also confirmed that time period with Mr. Beyrle.

Mr. Wilson stated so in the market path, a couple of other things that are out there, it could be sooner, I don’t know, obviously electric transportation. In just the individual and public and fleet, we’re going to have to be dealing with that and that deals with the whole smart city technologies around charging. And it’s not just charging, its managing your distribution system, voltage impacts, things like that on the stability of the system. So the stuff you put in today to manage stuff like that you’ll obviously use more as this stuff comes into play. Another big area that I’ll highlight…

Chairman Biedenbach stated let me stop you just a minute, this is something yesterday with the rain. The charging station at Publix had water up on the transformer and I was going to call and I forgot. Mr. Mines, Mr. Beyrle, whoever.

Mr. Wilson stated this was the one over the Causeway?

Ms. Couillard commented beachside.

Chairman Biedenbach reiterated Publix, beachside, and the water was over the pad. Now I don’t know how far up onto the transformer and I screwed up, I should have done it yesterday. Then stated I’m sorry to Mr. Wilson.

Commissioner Davenport commented it looked like a lake over there.

Mr. Wilson stated it did, I went over there to get a sandwich and the right side of the parking lot was a pool. He then continued and stated the other area, kind of in the holding pattern out there, is this whole streetlighting upgrade to the LED smart lights. And obviously more efficient, reliable, all that kind of stuff but what’s really kind of interesting is the sensors that can be easily applied. So places are starting to use them as 911 locators. I mean you know if they have trouble finding the home that called or whatever, the streetlight has a sensor that flashes kind of thing or guides the ambulance or police in or whatever. Yes, it’s pretty cool. Weather and road conditions, flooding, icing or whatever. And they’ve got sensors, it’s just a module that you use and I’m not streetlight…
Commissioner Holcomb interjected there’s sensors and then there’s them actually working. I’ve got a sensor on my lights that supposed to come on when it gets dark out and it’s not been as easy as it should be.

Mr. Wilson stated no, I understand it. And again, that’s why it’s kind of out there, you’ve got to explore it and really see, but they’re using, I know Georgia Power is using this stuff in Atlanta. Because they have a huge lighting program, they’ve had it four or five years now. And when they were going to smart streetlighting, like on the main thoroughfares and all, weather – icing sensors, this was stuff they were evaluating and looking at and adopting. So I wouldn’t throw it out the window but I would certainly be cautious, because I’m with you.

Commissioner Holcomb stated I put the sensors in and you know, I’ve walked around many nights in a dark parking lot.

Mr. Wilson stated right, the lights come on during the day and go off at night; that’s not what I want. Okay, so that’s kind of the market path, again it’s really about engaging and getting the customers to take action as we build out on their market needs and what they’re looking for, hopefully. And helping to educate them and how to use it so it not only helps them it helps the system. But there’s not a whole lot, I mean we’re at the beginning stages of that in New Smyrna Beach so let’s be fair about it. Okay, so now if you flip your page, we’ll get into one that is a bit more meaty. So on that you should see your electric business roadmap, and again, it opens with the just do its or things that are underway which I’ll talk about in a minute. The first swim lane is about assets, but the two swim lanes we’re going to spend the majority of the time with here is what we’re doing in our processes and practices and programs, which should look very familiar given the discussion that we had in the first hour and a half of this meeting. And then how, if you go down to the next one, enabling technology. So the purple is the process and the brown is how do technologies appropriately line up. And this gets back to, Commissioner Holcomb, your question, how am I making sure I’m timing the right technology in making these investments with what I’m doing in the business and operations with where I’m spending money in my asset plans; and that’s what this begins to put together. So real quickly, if I just go down, the just do its, we did the reliability study with Burns & McDonnell / FMPA and so that’s complete. Out of that they have recommendations just on outage reporting and asset age data additions, to start building the OMS data and the GIS data. I mentioned bringing more of the core WindMil reliability circuit optimization planning into New Smyrna Beach in Ms. Couillard’s Department, to make sure you can now model and design your system as this stuff occurs. The reliability improvement plan, level 1, you guys covered that I think the last Commission meeting. Ms. Couillard went over here’s the things we’re going to do, and I’ll click to the detail and cover that really quickly. The other thing that’s underway or was a just do it, is a following study by Burns & McDonnell around protection-control coordination. What’s important with this is now that they’ve looked at the reliability of the system, you’re moving, they’re figuring out like new settings and stuff so all this investment you’re going to make works. If you don’t do your protection and control coordination study, all these devices and stuff, they don’t work, they conflict with each other.

Ms. Couillard concurred, they don’t work together, so the protection and the control coordination is vital that the right thing trips at the right time so you’re not over tripping, or this isn’t tripping or under tripping. So we’re looking at the entire system and putting together standards.

Commissioner Holcomb stated so you have an integration standard that you’re setting, we’re not going to buy this unless it works with the whole system.

Ms. Couillard stated exactly.
Commissioner Holcomb stated yes, it makes sense.

Commissioner Davenport stated two systems instead of one.

Commissioner Holcomb commented you’d be surprised, everybody gets in their little sandboxes and won’t play nice together.

Mr. Bunch stated let just add a little clarification to that, so as we install a bunch of equipment, the settings on the equipment as Ms. Couillard just mentioned, is really important because there’s existing things, you’re adding new things, and you’re adding a lot of new things and you have to have predictable operations. And Mr. Wilson spoke to it briefly but taking control and ownership of our system model, using this program called WindMil, plop devices in and it says yes, that will work with this and by the way, here’s the setting you should use. We didn’t have ownership of those tools in the house before and I think as a results, we didn’t have a whole lot of predictability about reliability and a lot of this stuff as it worked in the past. Now, as we modernize we’re going to also take the ownership of that model in keeping it up to date.

Commissioner Holcomb stated let me ask you a question, I’m just curious, how do you take the old and integrate it with the new, because that’s typically where I find my biggest issues are, the old doesn’t integrate with the new, but I need the new so what do I do with the old.

Mr. Bunch stated part of it was addressed, don’t want to take away your fun, but when we talk about GIS, the assessment that was done.

Mr. Wilson stated yes, you can state it.

Mr. Bunch stated part of the assessment in that purple block, consultants looked at our GIS data and they said how good is the quality. Well we learned that our GIS was serving our needs graphically. Here about is where that transformer that’s flooded is located, this is what circuit its on. But how old is it, what size conductor is feeding it, when was the conductor installed, what size is the wire. There’s a lot of data quality that we have to fix, so they looked at that and said by the way if you want to do these things, think about fixing this, that and the other thing. So there’s some related recommendations that have been made to help us better manage that as well.

Ms. Couillard stated and in addition, when we do these studies certain things may not coordinate, so you may have to upgrade another piece of equipment because it’s end of life and it’s just not going to work. But generally, if we can get the curves right and we also create the standards for the equipment we buy going forward, it’s going to help us eliminate those issues.

Mr. Bunch stated and as we go through this for electric, mentioning it now, but there’s some parallel benefits and things that we’re going to do for water because the exact same issue existed, it was just a different version of it because it was water asset data. But the same issue of us not having accurate underlying GIS model for the water system to enable us to model with the hydraulic modeling. There was a 16” inch water main that feeds the whole south end of the beach that wasn’t in the model. And our folks were trying to use the hydraulic model, but you’re not going to get accurate results if you’re underlying data is not accurate. So there were experts that looked at our data and said hey, by the way, these are things that you need to address when you do it. So yes, I think when you see, when Mr. Wilson gets to it down on the roadmap, that’s probably one of the earlier things because it’s such a, it seems basic and it is, but it’s also core to enabling the functionality of some of those system investments that we will make later on down the line. That makes sense, it’s kind of like your reading,
writing, and arithmetic as a kid, then you’re ready to go to college and start studying physics and calculus and all the more advanced stuff.

Commissioner Holcomb stated so it’s kind of like a bid, you get in you’re like okay they bid the system, whatever they bid, and then you get in there and like well this doesn’t work and this and all of a sudden we’re looking at an extra investment that wasn’t identified at the beginning.

Ms. Couillard stated right.

Commissioner Holcomb stated that’s where, you know, the money really gets kind of wasted.

Mr. Bunch stated and to Mr. Wilson’s point earlier on, a lot of people jump right to the I want to study calculus and physics and make the investment in the system.

Commissioner Holcomb commented I don’t know what friend you’re hanging out with there, I didn’t jump there.

Mr. Bunch stated but somebody convinces somebody that we need to invest in the system, they make the investment and then hey, I can’t use it because I didn’t do that stuff first. And these folks looked at those building blocks, if you will, and it’s all part of this; I’m sorry Mr. Wilson.

Mr. Wilson stated no, you’re fine because this means you guys really understand what we’re dealing with here and this is good.

Commissioner Davenport stated I kind of put it in perspective and I guess simplicity is kind of like an analog T.V., and then you get your new HDMI and I’m trying to make this thing work over here with that one and it just…

Mr. Wilson stated that’s a good analogy, you bought all the shiny toys and now how do I make it work versus what was I going to do first.

Commissioner Davenport added, well if your T.V.’s almost 20 years old and everything you get is…

Commissioner Holcomb stated you got all the wonderful stuff, you just can’t watch the show.

Commissioner Davenport stated and I lost my remote and the universal won’t work with this one.

Mr. Wilson commented but the lights look good on this stuff, I just can’t watch anything. And then stated so no, what Mr. Bunch said is absolutely right, the data, the right data, the protection study driving it through, like the WindMil model to see what works, what doesn’t, what I’ve got to change, set, that drives the asset investment going forward in the capital plan. And then continued by stating I have a detailed thing to jump down and talk about this more, but I don’t think there’s really a need. You guys remember a couple of weeks ago when Ms. Couillard talked about the Level 1 reliability investments, the trip savers, some of the distribution, that’s what’s covered in there and the rest we sort of talked about. So if it’s okay with you I’ll just sort of continue to move. Okay, so coming out of the just do its, we get into where we’re really starting our improvements. Obviously, we just spent some time talking about the asset data, the capabilities, the health of it, etc., the status of it after a repair or an outage issue or whatever. So we’re starting obviously to do that, that’s a foundational thing we’ve got to put in place. The next thing, in parallel with that, is designing and enhancing O&M programs, operation and maintenance programs, things like that, practices and standards; and I can jump there and you’ll see that. You know, it supports asset performance and utilization, things like
that, asset management. Just some examples, new business, line extensions, inspections, reporting, veg. management, the Osmose reporting, your pole conditions, things like that. And then looking at other places in here we highlight standards. You know like reclosers, relays, trip savers, poles, conductors, etc. And then more specifically best practices standards tied to just equipment or one thing, and this is becoming a popular conversation in Florida, is wind loads. Because, I can say this, I mean I’ve been in discussions recently with FP&L, you don’t need a storm, a huge storm, you just need a wind event. And what it becomes about not only predicting what circuits and all and how they’re going to respond but then prepositioning like field services and outage restoration, to make the restoration faster. Or figuring out how I’m going to reroute power to keep more people up. So it’s not just in response to the event, it’s in response to planning for the outage event or condition, which is pretty cool stuff, and you can also tie in temperature and stuff. I mentioned you know that we built analytical tools as part of our practice and we have this global learning consortia that kind of helps folks in this kind of stuff. I mean we built circuit management analysis tools where you can go down to the meter level and you can calculate customer minutes interrupted at the meter based on the impacts of these things on sections of the circuit, which is pretty cool. And it brings in outage data, equipment data, it uses work management data and work orders and stuff on how these circuits have you know responded and what their health is all over the last year or whatever, and it uses that to do this predicting. So it’s, you don’t have to go there right now, but that’s the kind of thinking that you’re going to use in predicting how do I respond; so some of that stuff could come in to play.

Mr. Wilson continued, let’s jump back, we’re going to come back to this page very quickly, the third foundational piece in place are data, my programs and what am I improving here in standards, and then AMI is foundational. Now why is AMI foundational, so let’s just jump there, so basically this provides that end of circuit data, on performance, consumption, and power quality issues, all that kind of stuff that you can then start to address in your distribution planning and operations management as you go forward. But this gives you that end of circuit view. There’s a lot of data that comes out of AMI. It also enables things like outage management, work management, the whole response. I mean this was what I was talking about, okay we have an outage, the outage management system detects it using the AMI data, so I get the crews out there, they’re working it, it’s updating in the work management system which is feeding back into the outage management system which is feeding to the website through the CIS portal, right? To get my customers that we know down to the meter, kind of an estimated restoration time, an ETR. That’s pretty sophisticated but that’s real value to a customer.

Commissioner Holcomb stated so, again, let me give you my example, we have Onstar, we have Uconnect, connected to the manufacturer, car throws a code, you have a check engine light, runs the systems, sends it up to the satellite back to Detroit, email, light comes on, we’re notified. That all is wonderful when it works. You know data is a beautiful thing if you can put it in a place that’s actually usable, a usable format. To where, you know, what I need I can see and what I don’t need is not in the middle. And that’s kind of where, it’s great, you’ve got to turn it on before you forget what it is, but then you’ve got to take the data that it gives you and then start to kind of peel it off what you don’t need. But for us, I’m trying to communicate to the customer, call you properly when that check engine light come on. Well if I don’t get the email until five days later, and your check engine light came on and it threw a light in your car and I call you five days later, I’m not real efficient. That’s the part for me is that getting the data, having it usable, and then having it timely. Because again, in theory everything’s wonderful, operationally you start looking at that stuff going I called the customer five days later, they already had the car fixed. That’s the part for me, data is good if it’s usable; accessible.

Mr. Wilson stated if it’s usable, accessible, and it flows. So let’s go back to the outage piece, AMI, a meter’s out or a subdivision is out. Instantly in the AMI system you’re going to be notified here, no one’s got to pull it, the utility sees it, it’s in their operations center. All of a sudden, the OMS system
triggers, the outage management system in the utility, this isn’t waiting for anybody else to call, it just triggers. At that point it starts saying hey, I’ve got this cluster of meters that is showing an outage. The other systems can be checking, substation, sensors, relays, all that kind of stuff down the circuits just to see kind of where that fault has occurred on our power system, to say hey, send my crews out there. This seems to be, you know it seems to be a problem with a breaker, it seems to be a problem with a transformer on a pole or something. And all of this is occurring here, in-house, this isn’t about anybody calling in or anything, and these are systems that are common to utilities right now. Okay, you guys just don’t have or you have pieces of them, but they’re common so they work. And all of a sudden my crews go out there and that’s getting tracked through the work management system and as they’re completing or they’re taking care of business the work management system is updating. That’s all very, very real today and now. The only thing that maybe isn’t quite as real today, I mean you would have to invest more in, is okay how do I get the dashboard I’m seeing in the Ops. Center to feed data to the website to show the customer on the website or his app. that he’s going to be back on about now or when; that I agree with you. But 90% of it, it’s there and it works. And that’s the kind of stuff in this roadmap, when we get to the distribution planning, modern distribution, operations management, that’s the kind of stuff you want to invest in, stuff that you know works. Not to your point like Onstar, it’s kind of like the customer’s already gone somewhere else. And frankly the customers on your power system can’t go anywhere else, I mean they’ve got to come to you. So this is the kind of items; does that help?

Commissioner Holcomb stated like I said, everything in theory when it gets laid out is wonderful and then all of a sudden we go buy it, we turn it on and I see the guys at the bar and they’re like yea it doesn’t work at all. We get there and we can’t read anything, the systems don’t communicate, we default back to the old way we used to do it and we haven’t picked anything up except the bill and a new system.

Mr. Wilson stated and that’s why we keep saying in this roadmap the purpose is to find what is it we need to do as an operation – process, programs, practices. Then figure out is the technology really there, proven, got a good life cycle on it. I remember when they talked about thin film solar on rooftops a few years back and tried it and the life cycle was like a couple of years and it broke down. So you don’t want to get involved in that but the stuff that we’re talking about here, outage management, work management, that’s all real stuff and it’s been around a lot. AMI has been around a while enough to be comfortable with that; but that’s the point of these guys.

Ms. Couillard stated I think it’s real important to say that we’re not going to just jump in and go I’m putting in an OMS to CIS, WMS and AMS all at the same time; that’s a disaster. So we’re going to do them in the appropriate staging and make sure the first piece is working before we move to the next one. Because I’ve been in locations where you jump full in and then it never works.

Commissioner Holcomb stated the only thing for sure is the bill.

Ms. Couillard stated yes.

Mr. Wilson stated and you’ll see this as it’s staged out, what you just talked about in the rest of the roadmap, in that sequencing. But AMI it’s more than just meter reading, you know net meter, it enables that, obviously we talked about OMS, service calls, tampering diversion and theft recovery. I did an AMI business case in Canada for a muni a couple of years ago, it’s a huge issue, and they were not only using AMI but they were using… Here’s what the customers, some of them were doing, and I’m an engineer but let me see if I can explain. They were drilling under bypassing the meter and connecting to the incoming line from the transformer. So the meter was showing like not much was happening, but they were drawing power past the meter, so they wound up looking at how do we
compare the meter readings to what’s happening with the transformer supply. And when you see more power coming into the house, right, from the transformer than the meter, then they were able to use AMI in conjunction with.

Commissioner Holcomb stated that’s usable technology, that’s usable data, that’s all I’m saying, that makes sense.

Commissioner Davenport stated that’s a great idea.

Mr. Wilson stated yes and that’s to your point, so that we were real comfortable in how we put that into business cases.

Mr. Bunch stated he would like to comment here, I think I remember, it might have been Chairman Biedenbach when I was being interviewed he asked, what do I think about smart meters. And I believe my response was something like it’s great technology but you’ve got to think about how you’re going to use it in your business. If you’re doing it just to eliminate meter readers to lower meter costs then you’re not getting all the benefits. And what Mr. Wilson and Ms. Couillard just articulated was if you plan this out right it’s a core enabler of a lot of things down the line. So in my experiences, day one you can get a lot of business benefits out of it. But some of the customer benefits, you’re talking like Onstar, you’ll get some customers that take it and some don’t. So like FPL has online meter consumption, so how many of their customers really look at that. They can see daily meter consumption, some, but when there’s an outage, getting that signal back to the system ops. center, that happens like that (snap). Things like that, day one a customer can call in, well I paid my bill, you can literally push a button in the system, flips a switch in the meter. We don’t have to send anybody out, literally as you’re talking, you can do that kind of stuff day one. So what you’re seeing now is how does that fit into the roadmap and we believe that that’s an early thing that you look at, but first you plan it before you go out and buy it; how are you going to use it in the business.

Commissioner Davenport commented, meets the standard.

Mr. Wilson stated yes, and that’s metrics as we talked about.

Mr. Bunch stated and I think, so Tom West and I were talking about this the other day, for the water business I do believe it’s a higher hurdle from a business case benefit because meters are more expensive, there’s more labor to get into the pits and changes to the meter. So we’ve got to look at okay, well if revenue recovery becomes, as old water meters slow down, is an issue for us because of the age of our meters that may feed into a better business case for us but if that’s not the case, we’ve got a newer inventory of meters, maybe the benefits aren’t there that we thought, there could be a scenario where you do it for electric and you may not do it for water. Or, you just do it for your biggest water meters. So those are the considerations that when we’re in that purple box that says AMI program design and development, those are the questions that we’ll be asking. So it’s not a foregone conclusion about you do it for everything and everybody, we’ll figure that out when we get there.

Mr. Wilson stated that’s all part of the business case, the depth that you’ve got to think through.
Commissioner Davenport stated do you see us getting smart meters in the near future?

Mr. Bunch stated so, timeline wise, I think we see that happening in the next two to three years. Initially we would be planning the development and the deployment as it shows here. That’s likely going to be a one to two year project once we start, for us. Confirmed with Ms. Couillard that was accurate, adding I’m regurgitating what I’ve seen and what I’ve read.

Chairman Biedenbach stated what kind of education are we going to give to the ratepayers? Because you’ve got a lot of people out there that this is big government, big brother, and with the political climate right now. I happen to be a believer in it because I’ve looked at this stuff and I understand the operational side and what’s available, what you can do with it. I have two electricians at the condo and both of them are saying you’re out of your mind, you know it’s big brother, we don’t need that, everything’s fine. But I just, so the education part of it… Go ahead Ms. Couillard.

Ms. Couillard stated well, I was just going to say people carry around phones, a meter’s way less than a phone; adding, I understand.

Chairman Biedenbach stated that might very well be…

Mr. Bunch stated yes, so I think part of it is education and Mr. Wilson maybe you could speak to that as part of one of these programs, what typically occurs.

Mr. Wilson stated so yes, huge issue particularly over the last five to eight years. I can’t remember what the exact adoption of AMI meters in the industry is right now but isn’t it somewhere around 50% or somewhere more?

Mr. Bunch stated I would say more, in my prior role we had four utilities, all of those had implemented, three of the four had implemented advanced metering and the fourth was in the last year or so. I would say in the municipal industry, I was on a call actually with FMPA about a month ago and about half said they already had it and there were a few people on the phone like us saying they were considering it. Very few, if any, were not considering it at all. I think it’s at least half, even within municipals at this point in time.

Mr. Wilson stated yes, and so when you start tying it to how does it help reliability, how does it help these benefits, and Ms. Couillard’s point is spot on. You put more data exposure of your personal through that phone than any smart meter is going to even come close to. But before you even get to that, it’s about, here’s what it’s doing for you, money savings, more efficient, all that kind of stuff, right, restoration particularly; that’s the education piece. And I think investor’s owned are much further down here on the adoption curve, co-ops — muni’s you know you said 50’ish. Co-ops are kind of in that range and that’s what brings the balance back, you know they’re more rural in some cases, that kind of stuff. But I think that you guys have got to message that. Prior to messaging that you could use your customer education and survey stuff to figure out what are people struggling with and why do they believe this. Because that’s part of it, you know dispel the myth with real facts, but I’ve got to understand the myth that you’re hearing first, I don’t know what you’re hearing.

Commissioner Holcomb stated the analytics of your webpage, you can get it to them, so everything’s value, every page that I have, every VDP, everything we do. The new one is the video now through the marketing. You know, the number one search criteria for me is safety with this COVID. More than recalls, more than quicker service, more than cars, more than finance, more than anything, the number one thing people search on me is safety and precautions. That’s 27,000 views last month, there’s only 27,000 people in New Smyrna so that gives you an idea how many people are looking at
it. So when you start putting that out there it was amazing what the data tells you and you know what they’re really thinking. And that’s real, full view, not a click out in five seconds stuff, and you can drill back, it’s funny how you tell all that stuff, that’s big brother.

Mr. Wilson stated okay, so those are kind of the foundational things and as we move to the right. I’m trying to be conscious of time here, so what you see is the first work stream. It’s all about developing the asset management program. So the first thing coming out of the GIS data, that data on the assets, updating the registry, the health index, and doing a risk assessment on your assets. This is the likelihood of failure versus the consequence of failure. And this is where you’re moving, and you’ve probably heard the term here the ISO 55000 Risk Based Asset Management, this is what that’s all about. I didn’t go into the details here, but that’s what it’s about. Because really what you’re looking at is okay, if I’ve got a low probability or a low cost of failure, how do I deal with that versus something that’s a higher probability or a high cost, or both are consequences of failure, right. That’s going to help me prioritize those asset investments and the systems that support them, from an asset and maintenance management strategy. And then it moves to step two where you define the asset management strategy and all your different assets that, you know, for life cycle, repair replace maintenance, etc., driving into your asset management program, things linked to your maintenance and management.

Mr. Chavez inquired where would that start to come into play?

Mr. Wilson stated it actually starts the next line down, so coming out of the new program design, you start your work management development. Okay, system operations, maintenance, field services, work flow activities, define requirements, etc. And then you define your work management approach and strategies that’s linked to your asset management, this is where you were going Mr. Chavez, this link to your asset management strategy. And then also coming down, it takes the AMI data, new programs, processes you’re putting in place, really drives now your modern distribution planning and your modern distribution operations management, which is going to connect into how am I running the assets, how am I maintaining and how am I running the work management program to support those operations. So the blue lines show where this integration begins to occur. Does that make sense, are you guys kind of following me there? So let me spend a few minutes here on the distribution planning and the distribution operations.

Ms. Couillard stated can you talk about how long we will have to do training, employee training to support this.

Mr. Wilson stated yes, I mean that’s kind of embedded here, and this is obviously Mrs. Pitcher and other things, as you improve your operations, your planning, and all there is training, there’s individual training, there’s field services training, all that kind of stuff, it’s down in the organizational path, but that’s just part of it.

Commissioner Holcomb commented it’s a big part of it.

Mr. Wilson stated yes, it’s a big part and I mean it’s also a function of how do I retrain existing people I’ll keep on board versus those retiring versus what I do with the new people coming in, that I need apprentices and stuff to develop and where do I source them from. They have that higher level of skill and capability, particularly since I’m not big enough, like an investor-owned, they have their own training; you know linemen training facilities and stuff like that. Or maybe do I figure out how to get that working with FP&L or whatever. So yes, that comes to play here, a big part of it, that’s the people part of this deal. So as we’re working across here, you’ve got the asset management development rolling and the work management and then what am I doing from a standpoint of my distribution
planning and my distribution operations management, to modernize those. And let me just, I’ll jump down into that level of detail, again a lot of information was captured to guide this so let me just sort of summarize as we go through this. So really, distribution planning and we talked about this a lot, having more granularity of data or visibility on the system is going to allow me to do more sophisticated granular planning for the distribution operations. And those not only reflect how I keep the system stable, voltage and things like that, but how am I going to deal with if I start having new things connect in, particularly on the distribution secondary circuits. Okay, how does distributed energy devices, solar, things like that impact how I’m going to manage voltage. That’s what planning has to do, that’s where the WindMil optimization model comes in, that’s where the data from GIS and asset health come into play, that’s where the control coordination study comes in to play, that Mr. Bunch and Ms. Couillard talked about a few minutes ago.

Commissioner Holcomb stated to Ms. Couillard’s point, I was just thinking through the training part of it. You better go slow because the overload that you’re talking about, if you think the equipment doesn’t work wait until your employees say I’ve had enough; neither one of them working.

Mr. Wilson stated and that’s why you see this sequence, that’s why you see it sequenced. So coming out of the new programs that we’re putting in, the line extensions and all that, now how does that affect distribution planning to modernize that. And it’s these kinds of things you’ve got to work through with that which is then going to lead to more modern distribution operations which I’ll get to on the right side of the page, which is more sophisticated operations. But if I don’t do the planning right up front on the system, this stuff is going to collapse and I’m probably going to have everybody quit because they’re just going to pull their hair out. So as you kind of work down through this, you know we talked about modeling, we talked about incorporating asset health, condition / risk indices in asset management, about outage management, damage assessment software. Those kind of things, that’s all part of your planning and it leverages, down here at the bottom, these investments that you’re making in your capital investment plan now, in SCADA, in distribution automation, because that’s where the data, the sentry data is coming in. It’s pretty accepted now, okay, this isn’t Buck Rogers technology, I’ll date myself if you all remember Buck Rogers. But this isn’t Buck Rogers or Star Trek, you know 1970’s technology kind of stuff. This is pretty accepted in utilities now, to your feeder relays, sensors, breakers, load tap changers, all this kind of stuff. So it begins to leverage those investments that are in the capital investment plan in the earlier days, right out of the shoot and that’s what you want do.

Mr. Wilson continued, now as you get that in place, then this goes back to your kind of step by step sequencing, it moves to the modern distribution operations with the planning. Okay, so how am I moving more toward monitoring and controlling things to maintain stability on the system, more in real time, okay, more in real time, more responsive. This is when you hear terms like resiliency and all that, that’s what they’re talking about. This doesn’t mean that it’s all in real time, it just means more in that case. And you want to take this step by step, okay, because you’re going to have to train control room operators and that kind of stuff too. So we don’t want to overextend ourselves and then fall on our face. You want to do it step by step and this is to the training point and that kind of thing. But what does this really mean? So when it boils down, like equipment ratings, what’s the appropriate size of equipment on the circuit, particularly for growth or expansion of distributed devices. Am I able to even look and see do I have appropriate sizing or am I going to have to deal with that on the equipment size. How do I optimize the grid, not just from new line extensions but remember we talked about feeders and cross ties allow you to auto balance your loads and things like that during an outage; that stuff is real. That’s not five, ten years out, that’s now in the next five years. So it’s going to allow you to do that kind of stuff and again, that’s helpful as you adopt more distributive energy, you’re hosting ability for distributed energy, and how do I deal with that on the grid; I’ve got to build a host? I’ll get to that one. Transformer load management, you know the health, the maintenance to optimize
(2-a) Modernization Plan Recommendations – UMS Group, LLC Presentation* (cont.):

the performance of the transformer. And then percent utilization on all the equipment, you know am I overloading the transformer so much that I need to idle them back with my operations, not to not overload them because I need to schedule them for upgrades and how do I prioritize them in the upgrades using the asset management system and the work management system.

Mr. Wilson stated so you see how this begins to interlace? Distribution operations is working with planning that works with asset management, it works with work management that works with maintenance management to run the ship. Back to your analogy early on, how does this all work together, and it needs to be thought through before we go buy the technology and in incremental steps. You know conservation, voltage reduction, this is something that’s been going on in the industry quite a while, so it saves money on energy use. But the real thing you’re trying to get to is the volt VAR optimization and this is where you’re managing voltage, from your primaries to your secondaries, but it’s happening more automatically. It’s not just I know if I lower my primary to this level, all my secondaries ought to be okay and the range they need to be from a voltage level, and you understand that. And then upgrades that could go along with this, you know the CIS upgrade, OMS. So right now we’re using say OMS out of the AMI system or out of Cogsdale, right, but eventually we get to call it a distribution management system, an automated ADMS, that kind of thing. Well, that’s going to have an OMS functionality in it that’s even more sophisticated. And it will deal with issues like okay if I have an outage how do I back down non-critical loads that are on demand response to allow the circuit to handle it without stressing it out to reroute power to keep the most people off. That again is not five to ten years out kind of thing, it’s happening, it’s real but you guys will have thought through how to do this and really what works before you go to the vendor and say I want the technology. Because they’re going to sell you the technology based on only what they know and worked on, and you don’t want to be in that boat. That’s a big problem in the utility industry with technology vendors and you will have people tell you this all the time.

Commissioner Holcomb stated it’s not limited to your business.

Mr. Wilson stated no, I’m sure it’s not. Okay, so let me just kind of bring this back to ground a little bit. So when we look back at the roadmap here and we said okay, we’re building data, we’re redoing our processes and improving those, we’ve got more data from AMI, we’re tying that in to our modern distribution planning and then how we’re going to operate a modern distribution grid in conjunction with our assets and our work management, which is going to allow us then to work across all functions of our utility operations, distribution, engineering together to basically run the operation, manage the assets, maintain it, efficiently do the work management to support all this in conjunction with our supply, transmission and control center operations and planning that Mr. Beyrle has; basically connect upstream into the power grid and that’s where you’re going with this. That leads us to the, you know, reliability improvements for level 2 and this is where you get cross load transferring and things like that. But I’m going to say let’s learn to walk before we run versus learn to crawl before we walk, because we’re beyond the crawl but we’re in the walking, so let’s learn to walk better before we run. And that’s basically is what is laid out in detail, because I won’t go into all this, for I call this the three to five year horizon, and it sequences the technology. So you’re doing the SCADA upgrades, you’re improving the GIS, which involves the ESRI Arc Info. and ArcGIS, I mean this is the data mapping systems that work with the SCADA, that work with the AMI, that drive into the distribution modernization planning. The planning piece which is used in WindMil, which is used in new distribution automation, used in OMS, damage assessment software.

Mr. Wilson continued, here’s where your technologies are sequencing and timing appropriately to what you’re doing in the business. And then as you define your asset management program and work management program, how you’re going to run that here, you buy the asset management system. You buy the work management system. You don’t go buy it first because that’s a huge, there’s a lot of risk
with that. It all sounds cool but doesn’t really work. Okay, and as you move over and operate the system it brings in other technologies. You know this was stuff that was identified by Quanta in the report, potential technologies you could use. A DR evaluation, CIS upgrades or replace, the elements I talked about like within an ADMS system, but it’s timed more out here, as you’re moving through, you’re figuring out how to walk first and then when we buy and invest in the tool. That’s the risk from a technology standpoint, you want to minimize. And of course all that ties into this whole new field of reporting and the analytics.

Mr. Wilson stated the last point I’ll make is what’s the connection to the asset. So basically, I took the capital investment plan and I broke it down, your annual projects and your major projects for the Utility of the Future. And the categories, reliability, maintenance, system improvements, etc. So I’ve talked a ton about, right, asset management, maintenance, that kind of thing, I ought to see the money in the assets projected in the budget and again it’s a living document and it’s revisited here year to year and it’s revisited project by project based on the business case so nobody’s writing a check yet. But, just logically I ought to see a chunk of pretty good sizable piece of the budget, 6%, spent on maintenance if I’m going to do this, right. Between both annual projects and the major projects. I ought to be able to look down, like in the system improvements and see, oh, the line item for grid modernization spread over the next ten years is about $20 million. And what am I talking about spending that on? Well, we built in here where you can click over and here’s the modernization cost estimates, this slide is in the last part of your appendix there. So this tracks based on the estimates done and the technology assessment for each of the technologies. Where you might spend, what these systems will cost, assuming they work for you. So my point being is that what I’m doing to improve the business operations and processes and practices, how I’m going to run this business ought to tie to what I’m going to spend the money on in the asset, capital plan and it ought to sequence the technology appropriately, and that’s what this roadmap tends to do.

Commissioner Holcomb stated so I’m just curious on the budget with the, obviously we haven’t identified the main yet, are we kind of shooting from the hip? I mean what do you see, directed to Mr. Chavez, the percentage of dollars being allocated towards maintenance of the system versus what we’ve actually identified in the past.

Mr. Chavez stated so what we’re looking at is completely different now in the sense of when we developed this most recent ten year budget cycle, Ms. Couillard and I and her team focused on, because these will be major projects, these will not be annuals, but we have place holders for these initiatives. And not that we’ve got, and as part of that she has low hanging fruit of the SCADA initiatives, some of these things that we need to do in parallel. As we then start to know we have this, we’ll go into okay what do we do in the next one to two years. Will we budget that, but since there’s already placeholders in there our total ten year wouldn’t change significantly and we don’t expect it to just because we already have place holders in there. So we’re already factoring in these initiatives, as we then start to move forward on these projects, we’ll refine the scope, that will refine the costs which are already in, it will just refine the estimate, that’s all.

Mr. Bunch stated and over time the corrective maintenance should go down.

Mr. Chavez stated yes.

Mr. Bunch continued, as we invest more in the assets and improve the performance. There is a period of catch up there, right now there’s some things that we’re woefully behind on. We had, for some reasons in years past we weren’t funding pole replacements. So when Mr. Mines finished his inspections last year we had 600 poles to replace, so we’re whittling that down little by little but we still have a couple million dollars worth of those poles to replace. So in the next couple of years as we
catch up and we start investing in the new technology and equipment, over time that corrective maintenance should go down. I think that was what…

Mr. Chavez stated yes, that’s a really good point and then from the annual projects perspective as we do these bigger project initiatives, the annual corrective maintenance capital will start to trend down because we’re more caught up.

Mr. Wilson stated and your O&M costs which aren’t reflected in here, but your annual operating expenses, they will start to trend down because you’re going to be more efficient, you won’t have to do as much with the maintenance and you’re going to be more efficient with your work management.

Ms. Couillard stated I also think it’s important to say there are projects that we have budgeted for, things we knew about, like the poles, like the canned station upgrades. Those are actual projects we put into the budget already; we’ve already started.

Mr. Bunch stated and there were some things in that budgetary spreadsheet that we actually didn’t put into our budget because we thought it was so far out that at this point in time we didn’t feel like we could accurately plop it anywhere. So I believe that delta was about $6 million, I think that spreadsheet lower right corner might have been $26 million. We’ve got $20 million in the budget because those were things that at this point in time between us and the consultants thought were things that made sense for us to do. The others, let’s watch and wait and see where we are when we get there, it was just too far out for us to plan for at this point.

Commissioner Holcomb stated right, so what we’re doing now, we’re just repairing things that we kind of put off, not necessarily maintaining them. Because I mean if you sit there and go 600 poles, that’s not a maintenance schedule, that’s, let’s identify it.

Ms. Couillard stated that’s replacement.

Mr. Wilson stated end of life.

Commissioner Holcomb stated so as you bring this stuff on, as these assets go live, there’s a cost that’s associated with them which that maintenance cost will be identified in budgets moving forward to clear those costs.

Ms. Couillard stated absolutely.

Mr. Wilson stated but then what I want in place is the asset management system, the maintenance management that now maintains those new investments.

Commissioner Holcomb stated that’s what I meant, moving forward, you said 6%. Asset goes live, it’s operational, we’re going to maintain, maintenance for that year, for that system costs “x”. We’re going to identify that now versus wait until it staggers, wobbles, or falls over before we put a dollar towards it.

Mr. Chavez stated and in the work management system, once we start, we put the new assets in, we catch up, the work system will prioritize and say okay, ten is most important, 20’s less, 30’s a little less important, and then you have that methodology. It’s an end time for preventive maintenance activity, you go in and do that, so you have a real time.
Commissioner Holcomb stated so it’s like driving the fire truck around looking for smoke. I mean that’s the old way, new way is, you know.

After a couple more comments, Mr. Wilson then stated just to cap off the electric here, if you’ll look over in the potential future column, on your map there. Things like aggregation, demand response, electric storage, micro-grids, that’s all out here and to Mr. Bunch’s point he just made, these are technologies like the ADMS, the DERMS, a real time distribution system, etc. Those are stuff that are out there in the future and some of this was in that $26, $27 million in the consultant estimate on technologies that were backed out, which is why our modernization budget is around $20 million. And that’s noted on that last sheet in your appendix.

Commissioner Holcomb stated right, and that’s a moving number, a best guess.

Mr. Wilson replied, I keep saying, you know you get it, every year you look at it and every business case for each of these has to be done and around metrics. All right, so guys that was the electric, anything missed.

Commissioner Holcomb commented, I’ve had enough, let’s go to water.

Mr. Wilson stated if you flip your page, it’s water and so if you’re begging for water, you’re about to get it. Let’s see if I can even streamline this a little more, so this one is laid out similarly, but in the top, the assets, basically the green or the potable water and in the gray or the wastewater and reuse water. There’s a list of just do it and these are like replacements, pumps. The hydraulic water modeling, we talked about here that you need to have that planning level capability in-house to design down to the pipe level, just like on the electric side. The water treatment plant, upgrade the control system, the chlorine gas safety with the hypochlorite conversion. Some of the wells, they put in a services contract to maintain, refresh, to make sure the wells are fine. And then any pumping equipment out there it helps, repair, service, test, and recommission and bring back. So those are kind of the just do its. If I scroll down, on the wastewater side, obviously similar to electric and similar to the water up above, the GIS data, building off the recommendations from Stantec, control center upgrades, clarifier weir covers, head-works improvements, screens, pumping upgrades, generator replacement at the reclamation facility, as well as the switch gear. Because at that point when replacing the generator, the switch gear is antiquated right, it’s just that you need to do both. So those are kind of the just do its underway. I don’t need to go into the detail, we’ve talked enough and you guys are begging for water.

Mr. Wilson continued and stated what’s different on the operational, the purple bubbles for the water side, certainly the GIS data, pulling in AMI, and I’m going to that and talk about. To design the asset management system, the two bubbles to the right and the work management system. That very much parallels both the work management, the asset management, on the electric side. Those systems will work together with the water, it’s just different equipment, different process, but it’s the same system so you’re going to do this together. What’s new here is the new planning models on the water side, it’s more planning focus and operational monitoring, monitoring versus control okay. Again, water system, I got water flowing through pipes, I get a leak, I can’t reroute the water through other pipes to get to those same houses so it’s unlike the sort of real time management that’s occurring in the power side. What’s really occurring, and you see it in the asset investment, is the end of life cycle assets that are getting replaced, which is why an asset management program, a maintenance management program, that’s all key to maintaining those new assets going forward beyond just using corrective maintenance, which we talked about earlier.
Commissioner Holcomb stated that will follow with the budget. I’m just trying to pull all this together from what was said.

Mr. Wilson stated yes.

Commissioner Holcomb stated so we’re going to get our budget, it’s going to be identified these assets are end of life. We’re going to see that coming versus it’s broken and we’ve got to fix it.

Mr. Chavez commented it’s proactive, not reactive.

Mr. Wilson stated yes, exactly, and that’s why if you look up here, in the budget boxes, the majority of the spend, if you look across at kind of the annual reoccurring stuff, it’s low percentages. Where the big money is being spent is on major projects, in potable water and also in the wastewater, reuse. I mean look, 10% to 13%, these are big percentages of budget, it isn’t up here in sort of the reoccurring stuff, the annual work. It’s major, end of life replacement, particularly on the water side. So, consistent, spot on with what you’re saying and that’s what it shows. I can go deeper but I don’t know if…

Commissioner Holcomb stated no, we just, typically we’ve got a ten year plan, I looked at it, as it was laid out and basically it’s the ten year plan I looked at last year. This is going to tell me these are the things that are becoming closer to the end, be prepared to spend.

Mr. Wilson stated yes, and I hesitate to do this but if I click down here…

Commissioner Holcomb stated it’s all right, you don’t have to, I get you.

Mr. Wilson stated you see the line item, you know the pump station or the Causeway or whatever.

Commissioner Holcomb stated I follow it, right.

Mr. Wilson added, and that’s why we did it this way. So let me talk a little bit about AMI, we kind of covered this, the planning models, but really a big part of this has to do with the maintenance and the end of life replacement of assets and that’s what’s very much different. One of the things Mr. West has talked a lot about is coming in, and we talked early on about doing programmatic cycle programs around, like the wastewater gravity main, which you’ll see there, it’s in the middle one. And the wastewater lift stations, remember we talked about that one a little earlier. So it’s having these programmatic annual sections get replaced once we kind of catch up on the stuff that is really coming down the line. And then you have your major projects, the force main pipes for water, wastewater, reuse where you’ve got to like dig up, trench, block the highway, those are major replacement projects. So those are your big ones, but then your lift stations, your pipe replacements, your vitrified clay pipe replacement, that kind of thing that can be programmatic year to year once you kind of catch up.

Ms. Couillard stated like our lining program that we have now.

Mr. West stated that is fair, exactly as you said, like the lining program. So it’s having a contract in place with somebody so that the next two years I do “x” number of feet per year, “y” number of dollars and I just, I can be nimble with it as I see something that comes up that hey, we didn’t anticipate this section of clay pipe has now come to its end of its useful life. I’ll be able to switch and send that guy, let’s clean in line that section and get it done; wrap it up.
Mr. Bunch stated what you’re seeing now and I’ll say in the last six months or so, is a shift from us coming to you and say I need approval for $300,000 to trim trees for a period of time to we’re going to be trimming trees on a three to four year cycle, budgeting, I think it was $700,000, contractor go trim these circuits. And by the way it’s coordinated with the reliability improvement plan, similarly for sewer lining, main replacement, we’re going to have that program that Mr. West just alluded to. And we’re going to have buckets in those pools and when jobs need to be designed, we’re going to get them designed, have shelf ready work and then say okay, go do the next section. And to my earlier comment, we’re going to try to get out of our way of managing bits and pieces versus bigger programs of work related to the individual assets, cable replacement program, water main replacements, transmission vegetation management. It will be higher level buckets of programs that are funded and more oriented towards improving the performance of those assets.

Commissioner Holcomb stated and I’ve got to believe this plan is going to make the assets survive a little longer too.

Mr. Bunch stated and so a new, another example we’re investing in is a new inspection truck for the sewer mains. That data about what’s the health of those sewer lines will be archived, that will have capability to say oh, by the way of all your mains, these are the ones that look most problematic, have had the most failures and are in the worst condition, you should think about replacing them and in this priority. Again, it’s going to be the same approach, what’s the health of the asset and what do we do next. He stated I did want to take a minute Mr. West and talk about the optimization plan. So Mr. Cloud is on the line, way back last January we were talking about the water business and I don’t know if everybody knows it, but Mr. Cloud has over 40 years as an attorney and supporting municipal water businesses and he suggested at that time, and we tied it to modernization, to do the water optimization assessment as he’s been a part of it in all the municipalities. Now at that time we didn’t know Mr. Hoover, we didn’t know exactly when Mr. Hoover was retiring. So the optimization plan gets delivered, Mr. Hoover retires, Mr. West comes on board. Mr. West as the new Director of Water Resources, has a really, really good industry product to say this is the health of your assets and this is how you can better manage it. I don’t know if you have a perspective on some of the big value items in there Mr. West and how it’s helping you come on board but I thought maybe I’d give you a chance to speak to that.

Mr. West stated yes, I mean it was for me this was a pretty interesting timing with Mr. Hoover going out, optimization coming, kind of hit my lap just as I’m coming in the door, like drinking from two fire hoses. And all of the knowledge that Stantec brought to us from looking at it from an engineering perspective, kind of an outside entity validating some of the things that we’ve recommended over the years. Some of the really big take-aways like Glencoe, we’ve been talking about that asset coming to the end of its useful life, particularly the limestone clarifiers. They’re aging, they are not working up to their full capacity, and they are frankly a bottleneck to the water treatment, the capacity of that water treatment plant. Some of what had been talked about prior to the optimization was okay we’ve got to start working towards alternative water supply and bringing online reverse osmosis (RO).

Mr. Bunch stated which had a ticket item price of…

Mr. West stated significant, it was $10 to $15 million that you’re talking about, and that’s just getting it started, that’s not the full build out of RO, of full replacement, that’s just getting us started and our foot in the door with alternative water supply. Some of what Stantec took a look at while they were going through this for us, they said well wait a minute, there’s another technology that you might want to consider relative to the Glencoe Plant and that’s pellet lime softening. And it’s an interesting technology, we took a look at one of the, a pilot plant that’s being looked at in Boynton Beach. It’s a way that reduces our waste stream so that we’re not putting out all this lime into the lime sludge
basins, we’re not hauling off truck loads of lime sludge to OUC. What we’re doing is we’re putting sand in this little contact basin and the calcium attaches to the sand, it’s growing, and we’re actually, would be able to use that material as backfill material for pipe jobs and there’s other ways that we can beneficially reuse it besides just throwing it in a landfill or sending it to a power plant. And so the price tag is significantly lower than the reverse osmosis, it buys us more capacity, and it gives us more time to plan for that alternative water supply, those deeper wells and the RO plant that which will likely be located at the Western Utility Complex. So it buys us time and reduces that budget impact to us in the short term.

Mr. Bunch stated so it defers, and I think Mr. West stated $15 million but if we had to build the recommended capacity and add to that the additional capacity that was the shortfall he was describing, we’d probably be up in the $25 to $30 million range. That’s what was recommended to me to start last year by the prior staff. So we held off and as I mentioned we got Stantec on, Mr. Cloud didn’t recommend that consultant, it was do this study, they just happened to be somebody that could perform it, that type of study, and there aren’t a whole lot of people, you really have got to be the brain surgeon of the water industry to be able to come in and do the overall business assessment like they did. But that recommendation, and a couple of others, will pay for that study 100 times over. Literally being able to defer a $30 million expenditure, five, seven, ten years out, extend the life of that existing asset is a huge benefit. Mr. West has the “bible” there with all his little tabs in it with the various recommendations but that also fed into the modernization plan. So did I mischaracterize anything there Mr. West?

Mr. West stated no, I mean it’s again, we’ve got to kind of flesh it out a little bit more, we’ve got to potentially pilot it a year to see if it will work for us; no reason that it shouldn’t. It may also allow us to take a couple of other large capital projects and we might be able to not have to do them at all. The lime slakers, replacing one of the existing clarifiers, is coming up end of life. So by just doing a quick pivot and changing treatment technology, we might be able to defer about $4.5, $5 million worth of capital with the slakers and the clarifier and no longer be putting out this lime sludge that we then have to spend how much Mr. Chavez?

Mr. Chavez stated $450,000 a year.

Mr. West continued and stated, to dispose of.

Mr. Bunch stated we dispose of, I think I was told a 1,000 tons of that sludge a year, just from the Water Treatment Plant. Right now that’s unclassified sludge and it’s being disposed of legally but we know FDEP and the EPA are headed down the trail of making you have a higher quality output and the one that Mr. West described you can just dump into construction trenches because its nothing more than calcium, versus what’s the make up of our current sludge?

Mr. West stated it’s calcium, it’s similar product but it’s in a different form.

Mr. Bunch commented it has other things included in it.

Commissioner Holcomb stated when you say you can dump it into construction projects, are you talking about our construction projects or contractors coming and buying our fill like they would go to a regular fill site.

Mr. West stated the potential is there to market it as well.

Commissioner Holcomb stated you could potentially turn a $450,000 expense into a revenue.
(2-a) Modernization Plan Recommendations – UMS Group, LLC Presentation* (cont.):

Mr. Wilson stated into a revenue stream.

Mr. West stated, if it’s just I’m not paying to dispose of it.

Commissioner Holcomb stated no, no, I get it, just there’s a lot there.

Mr. Wilson stated but it’s got to have a better class, because it’s going to class A right.

Mr. Chavez stated yes, and you also have the sludge coming out of the WRF that could be turned into a fertilizer, right now it’s not, it would have to be a class A.

Mr. West stated right, I’ve got a significant disposal cost there with Synagro, that is we’re going to be stuck with that until we make, we’re going to have to make a pretty significant investment there, so we’ve go to make a business case to do that and to set the timing of it, but again,…

Commissioner Holcomb stated when you say defer, when you say defer five to seven million, that’s not eliminate, that’s just defer, that just means kicking that can right down the road. For me, is there a possibility that you eventually even reduce that number or is it you’re going to spend it, it’s just a matter of more to push it down the road five to seven years.

Mr. West stated if we’re talking about Glencoe, if I can get that capacity with a new technology, potentially as long as my wells, I’m continuing to maintain the well asset and I’m able to draw the water out of the ground and the quality hasn’t deteriorated to the point that I’m starting to see salt water intrusion I should be able to continue to kick the can down the road a little further.

Commissioner Holcomb stated so I look at that $450,000 and I’m just throwing a number out there, that’s our long term debt payment. I mean, so the $80 million we just borrowed is roughly between $450,000 and $500,000, that move right there funds your capital improvement plan, so just connecting the dots.

Mr. Wilson stated right.

Mr. West stated it’s pretty powerful stuff.

Commissioner Holcomb stated no, like I said, that a significant swing.

Mr. Chavez commented like when you spend the money on capital and O&M.

Commissioner Holcomb stated I mean you can put it wherever you want but just those numbers kind of lined up a little more even.

Mr. Bunch stated I think one of the other aha’s, Mr. West, had to do with the disposal of the output of the WRF and prior recommendations that were made about what to do with that. Do you want to speak to that for a second?

Mr. West stated as far as the, you’re talking about the sludge at the WRF?

Mr. Bunch stated yes and the solar.

Mr. West stated yes, so there was, in some of the recommendations previously made, relative to converting our sludge from WRF from the unclassified sludge we have right now up to class A there
was a pretty significant miss relative to the sizing of the solar drying beds and the configuration of them. With the recommendations that Stantec has made, it’s going to be a little more costly but it’s going to allow us flexibility down the road as we do grow, and we are going to continue to grow. As we grow it allows us to expand that facility in a real logical manner without a significant capital expenditure down the road, you’re going to be able to slowly add to that process.

Mr. Bunch stated there were some huge aha’s, one was we could probably defer a $25 to $30 million expenditure, more than five years, along with a $4 to $6 million one. We’ll probably have to spend a little more than we anticipated on the solar drying when we get there but we got the sizing right and it can be grown if needed in the future. And when you consider just the pair of those two items, that’s pretty huge.

Commissioner Holcomb stated that’s $6 million a year.

Mr. Wilson commented, that will get your attention.

Mr. Bunch stated we’ll spend money where it’s needed but we want to spend smart money and that study really identified some things to say there’s some better options. And these folks work all over the southeast, had folks on our team that actually designed the water reclamation facility 25 years ago. When you read it, it was like wow, these are big items.

Commissioner Davenport stated so we did that because of Mr. Cloud’s recommendation?

Mr. Bunch stated that was initially Mr. Cloud’s recommendation.

Commissioner Davenport stated kudos.

Mr. Bunch stated I personally had never heard of that sort of study, I don’t know if it’s real common in the industry but he was the one who brought that to the table. So Mr. Cloud, I think you’re on the line, I just wanted to give you that thanks.

Commissioner Davenport stated yes, absolutely, $30 million.

Mr. Wilson then stated okay, so in the spirit of time, all of what we just talked about is embedded in here, in the detail, don’t need to show you. But in the water business and the wastewater and the reuse, it’s really about modernizing the end of life assets, putting in the right work management, asset management, maintenance management to sustain that going forward, and then applying the right technologies at the right time. And if you look on your map there, all the technologies they just talked about and where they’re lined up in these major projects or the programmatic projects, it’s all there. From an automation, unlike the electric industry or the electric side of the business, that’s about assets and all as I just described but it’s also about more real time control and management of the system because power, you know how power works, its instantaneous. Well water, I can’t reroute water and things like that, and that’s what we see here. So from an automation standpoint in water, you know as Mr. West has described to us and talking through it, a lot of the automation is already there and with the SCADA upgrade and all that at the plants, down to the pumping stations, the fill tanks, the storage tanks, that’s all the automation is there on the water side. On the wastewater side, probably the most automation opportunity, if you choose and if you choose is a good business case, is your lift stations. When do you sequence them pumping against each other so they’re pumping at the pressures, when they’re more optimized for the pumps, the motors, and things like that. They’re not pumping against each other trying to move wastewater up; is that fair?
Mr. West stated that is fair. The existing vendor that we use, the PLC software, they have a product that coordinates pumping in lift stations, in particular stations that pump into a common pipeline. It gives you the ability to defer pumping on a lift station, allow the wetwell to fill up a little bit higher, not to the point of overflowing or backing anybody up but saying okay, you can wait a half an hour and then it will kick on when something else is kicked off.

Commissioner Holcomb stated the only thing I’d ask is when these dollars come to the agenda, that the presentation stays, it looks consistent. So every time I see I need “x” dollars for “x” project, the presentation and the ask comes with the backup that’s exactly the same each time for all of these things that are there. We just go through and start checking boxes and it can get consistency in the look where everything I look at isn’t brand new each time or I’ve got to go read a report.

Mr. Wilson stated yes, and so you get consistency that they’re being ranked.

Commissioner Holcomb stated familiarity, I’m looking at the same thing each time, checking the same box, going okay, good.

Mr. Wilson stated and they’re evaluated consistently, because that was the old trick in the utility, you know the bigger screamer, like generation, they got the dollars kind of thing. But you want a consistent business case looking across the real uses and costs around real metrics and the benefits. That’s agreed, and then consistently presented to you.

Commissioner Holcomb stated right, and in the same formats, I’m not looking at a new…

Mr. Wilson stated yes, right, got it. So, just in summary on water, I mean we got about 15 minutes left here, you can see where the focus is, how the technologies are lining up, the details in there, all the technologies are listed. We just talked about from the solar panels, on the pond, to other things and they’re kind of out there or scheduled in, or will be considered scheduled in, of course upon approval. Am I okay with water and electric, can I move to the final one, the organization, because there’s a couple of things we want to cover there and then I think we’re okay. So if we jump down, go to your last page in your appendix which is page 5, page A-5.

Commissioner Holcomb commented page 6 is the last page.

Mr. Wilson stated I’m sorry, page A-5, the last swim lane page. So on the just do it’s, a lot of this is about the fleet management and a lot of H.R. staffing and training, all that is in there. In the spirit of time, Mrs. Pitcher is there anything that you just want to highlight or we’re good.

Mrs. Pitcher stated I don’t think, so I mean as far as that kind of goes, every project itself is going to have this piece to it.

Mr. Wilson stated right.

Mrs. Pitcher stated it’s going to have to be something we consider as we’re planning.

Mr. Wilson stated right, this goes back to your training, experience. If you’re thinking about a new project, program or whatever, H.R.’s got to get involved up front because it’s staffing, it’s knowledge, it’s training, it’s repurposing people. You know, like meter readers, I’m not sure what you, but it’s that and that’s very key here, that would be the point that I would highlight on that. If I look down into the people process, in the last swim lane, and basically what I did in the spirit of using space efficiently, I said okay, what are the three big areas of stuff in processes and programs that we’ve got
to deal with here to support all this stuff we’re doing above. And then what are the technologies and how do they kind of line up, so that’s the purple and brown. And so the big three areas, it’s network and physical security, it’s business system integrations as you move to the right, and it’s system and network communications and then the pieces are underneath. I think at this point, Mrs. Keehn, do you want to just give a few comments on the network and physical security and the communications, the two?

Mrs. Keehn stated we talked about the cybersecurity a lot. With such a complex ecosystem we have currently with the IT / OT and then we’re trying to align and integrate. We’re doing some different strategies partnerships that are industry standard and they’re recommending, one of which is, you talked about controls and standards, we’re lining up with the Department of Homeland Security on a lot of our benchmarks and standards. So they tell us the threats right now to the grid, what to look for, so things that we’re putting out as far as on the technology side, they’re giving those benchmarks and standards based on the threats and vulnerabilities that they’re seeing in the industry. A common framework, we’ve started having meetings, IT / OT, so we’re trying to, right now, to develop a common framework that we all use. So when you say you speak the same language or you see the same thing, there are frameworks out there we just have to decide on which one we want to go towards. I’m thinking it’s the ISO 27000 but I think I heard you say a different number, but we’re all discussing that right now. We have some new Directors and so they’re all going to have some input on that. But we’re working right now to get more involved with what they’re doing on OT and not so much just on the IT and the business side.

Mrs. Keehn continued, we also, when you were talking about the integration of systems, we have a monthly IT Steering Committee, so if there’s anything that comes to the organization that doesn’t go through the normal purchasing process or it does and it doesn’t hit one of us, that will go to the Steering Committee. And from that all of the Directors and then the subject matter experts are available and then we look at the integration of how that fits in with our existing infrastructure or software or services and make sure that we can integrate that into the system. We had something that happened just recently with what they’re doing with the camera truck and we were able to, Ms. Couillard got involved, I was involved, and some of her subject matter experts and ours got involved to just make sure that when we get this that gives you all the data and metrics, it’s going to integrate into our ERP and CIS systems, and then also the GIS system because all of that data is eventually going to have to talk. And then moving forward with the Grid Mod., we’re also going to have to make sure that works with our work management or CMS system because all of those will have to talk. So we had a pretty good discussion, we had the vendor on the phone, everyone was able to ask questions and by the end of it, we were able to see that for the future it would be able to integrate into what we were doing. So we do something like that every month, bringing forward everything that’s going on as far as the IT side.

Mrs. Keehn stated we also do the monthly phishing or even more than that we do phishing for the employees to make sure they’re not clicking on links. We do cybersecurity awareness training every month. We’re moving toward a more streamlined basis on what your position is so it will be security based security training, not so general, so if someone in industrial controls or critical infrastructure, their training will be based on that so we can get drilled down more on what’s going to pertain to what they would be exposed to. Another thing that we’re doing is the DECIDE platform and we’re working with the Department of Homeland Security and it’s something they gave us a grant for and it’s part of FEMA and also Norwich University. And this is kind of a neat alignment because we are becoming strategic partners with our community, so the City of New Smyrna Beach is involved as well as Volusia County and the hospital is involved as well, Advent Hospital. And what we’re doing is we’re going to do a cybersecurity simulated attack and we’re going to have injects and so we’re the scenario writers right now. And what that’s going to do is it’s going to show the cascading effect that the
utilities would have on our community. So when something goes down, how does that impact them, that’s one part of it. But it also gets a response and recovery interdependency that we can work together because if something big were to happen like a cyber attack, that it would shut down our electric, how would we communicate with Volusia County or the City of New Smyrna Beach or the hospital. What’s the order, what’s the standard, we don’t know that, so we’re going to develop that and we’re working with the University and they’re going to help us write that. And we’re hoping to do that with the Homeland Security every year as a test and it will go along with what we have to do for compliance and regulation. But that’s just going to teach us how to talk and work together and who to call and who speaks with the media and who’s writing the media script. And if you did have to bring in cyber experts, who do they go to first. So it’s just that cascading effect for our community lifelines and for us being electric and water, we really are the main source for the entire community. So that’s going to be an interesting exercise and that’s going to be this year.

Mrs. Keehn continued and stated we also are working with FEMA, Department of Homeland Security again, and then APPA and FMPA. They’re actually doing an assessment on our critical infrastructure and they’re going through and looking at how it all relates and they’re giving me some vulnerability and risk assessments. But at the end of that they’re going to help me, they’re going to come in and they’re going to help me map out our entire infrastructure. Show me where things come in, come out, show us how we interrelate IT / OT and then we’ll have that for our organization, so we all know how we interconnect; so that’s coming. So we’re working towards that with the cybersecurity aspect of it. And then what else did you want me to touch on?

Mr. Wilson stated you may want to talk about to the right, the communications.

Mrs. Keehn stated so this is kind of, we’re talking about how much money we’re spending but we’re also looking at ways as a community we can share resources and save money. And so we just, it’s not an MOU yet, but we’re working on a partnership with the City of New Smyrna Beach and we are going to find a way that we can share our fiber infrastructure. And I’ve been working with Thomas Farmer and he’s been working with our Engineering and System Operations and so we think we’ve come to how we can do it now, we just have to get the lawyers involved. But what’s going to happen is they’ll give us resources and lines that work with us, so we’ll work together on what’s the best benefit and we can share our current fiber, that will help them and benefit them on their critical infrastructure as well as ours. And it’s going to accelerate the fiber loop that we’re starting to build and finish. So we have a linear loop but we don’t quite have the full fiber ring, so together we’ll be able to accelerate the build, we can save money, we can get rid of annual contracts that we have with our ISP providers and then we’ll also be more secure because it will be our fiber. So they have that as a budget line item on this agenda and so the money is there for them and we’ve all been through the conversation of what’s going to benefit us. And actually this really benefits some things that Mr. Beyrle wanted to do, that he hasn’t been able to do with his systems. And it benefits them as well, it’s going to hit two of their police departments, their data center, and then their building department. So if it works out and we get the MOU, that’s something that will be coming. And then when we have capital projects, we’ll get together and we’ll know each other’s strategic plans and then we can highlight where that’s going to benefit as much and start putting in conduit in the ground and only do it once so we’re not doing it twice. So we’re working at finding things that we coexist on and we can share, but still remain autonomous, still remain our own, so fiber’s one of them. We’re looking at other things, but the fiber seems like the one that we’re going to move forward with. So that’s saving us quite a bit of money and time, so that’s something exciting that’s coming soon.

Mr. Bunch stated so I think we actually had an email communication with the City last night because they have a budget meeting on this today, but for about a quarter of a million dollars they fill a gap in our system, we build it, they turn it over to us. They connect City Hall, the police department, their
EOC, and some other key facilities. And it fills the gap in our system so eventually that ring that gets built, part of it will get paid by them but then they no longer have to pay very expensive internet services. So it may be coincidental, but it wouldn’t have happened had Mrs. Keehn and the IT Director from the City had not been having that discussion about how can we partner.

Commissioner Davenport stated a win, win.

Mr. Bunch stated definitely.

Commissioner Hawes then stated he had a couple of thoughts he wanted to share on this, and number one, this is a great presentation, I think it really outlines things well. I think that it’s one of the best things that I’ve ever seen along these lines. And my biggest concern actually as I look at it is it’s complex, it’s going to take time, and the real question is how do we make sure, and this is really from maybe a couple or three steps back, posture and me being new. But how do we as a board make sure that we’re watching over this process and that we’re ensuring that this all happens in the right way. Part of that obviously is going to be communications, our membership of our board at the U.C. will change, obviously the City Commission will change. And one of the problems that over time is having this project be complex and taking time is just making sure people stay on path with this. And so I’m not sure how we address that and I was glad to see that communication was part of the process in this but I think that’s something that we as a U.C. Commissioner are going to want to take up, along with management to make sure that we’ve got the right pieces here so that we’re communicating out the information that needs to be done and that we keep this consistent over time. The next thing, and Mr. Bunch one of the things you said a couple of hours ago kind of stuck with me which is hey, I feel limited sometimes, my spending ability is $75,000 or whatever it was. And I think if we run our communications plan in such a way and our process in such a way meaning with budgets and things, hopefully we can sort of, I don’t want to say mitigate that but maybe slim that back a little bit. And I don’t know maybe that’s already being thought about, I don’t know, but to me that’s part of this as well. And then lastly, can the board, how does the board help with the communications with this, whether its City Commissioners, whether it’s the public or not. I don’t know what the right answer is but to me this is going to take a lot of effort on a lot of people’s parts to make sure that we’re out there and making sure that the story is, I hate to say simplified but relatively simplified and that information is accurate that goes out. I think that if we can do that we can get this thing to go a long way and make sure that what we contemplate today, you know, seven, eight, nine, ten years from now is actually in place. So those are my thoughts and I’ll stop there.

Mr. Bunch stated I’ll comment in the order that you presented. So I think what I propose Commissioner Hawes is we do a periodic, maybe a quarterly update to the Commission on grid modernization progress. Where are we, what progress have we made, have yet to do and then of course as we mentioned it would be tied into the budget process. So you’ll also get a confirmation along with the annual budget. So if the Commission likes that we’ll go down the trail of some sort of regular frequency of an update. The item of communication with customers, I think we need a dramatically simplified version for them, it would be more customer centric about what benefits do I get as a customer from these things the utility will be doing. And it would be not focused on the technology, it would be about the customer and energy usage and things like that. And then there was the third item, on the tip of my tongue, oh, the $75,000, so being municipal and a government agency we just have to deal with that. But what we’ve done to accelerate the processes is once the Commission approves an overall project, in between meetings I can do approvals that are related to that, so maybe a contract award or materials purchase, and then we’re bringing them to the Commission at the next meeting as a ratification approval. So we’re meeting the Sunshine requirements regarding purchasing and approvals, but we’re also, we’ve come up with ways to
accelerate the process and not have so many delays. So I think we can address all of those, but some we can going forward.

Commissioner Hawes stated are Commissioners allowed to communicate this or are we able to communicate this, for example, the Chamber of Commerce or the Rotary or the, you know, I don’t know where.

Mr. Bunch stated we can work with you to get a communication version of it, sure.

Commissioner Hawes stated okay, I think that may end up being important, I don’t know, it’s just a thought. There’s so much that’s anecdotal about the Commission as well, so for example I had no idea how many vehicles you had, the 600 phone calls. There’s a lot of information out there that I think people, just those things highlight the complexity of the challenge that’s being faced and I think that everybody thinks you flip the switch and you get electric but there’s obviously a lot more to that. So I think the more that we can kind of keep people understanding what we’re trying to do, and especially some of these businesses as well because I think that will help the City Commission understand because they won’t have people on their back wondering what we’re up to.

Commissioner Davenport stated well, Mrs. Keehn’s (sic Mrs. Pitcher) doing a great job at that communicating, they came and spoke at our Kiwanis Club, you know pre, before COVID. And our Facebook and that’s when Mr. Bunch came out and we talked about community and communication. It’s really improved 200%, 300% since Mr. Bunch came here. And communicating with the public, so they’ve done a heck of a job.

Commissioner Holcomb stated you know, I called Mr. Bunch the other day, the City actually did something, they had a meeting, I think it was their budget, but they did a summary after it was done and they put it out on social media. It was basically like, I mean who’s got time to sit, like this meeting, I mean who’s going to sit at home and go through this right; brain damage. So take this meeting, break it down, put it in a summary, a little bit of the hot topics, how it benefits the customer and then just put that out there; I think that helps us. It was a well presented summary of the meeting, of the highlights and I thought it was good. You’re always going to have the conspiracy people who are going to question everything you do but I think the majority of the people watch this. You know, I do appreciate it, I think I watched four minutes of a four hour meeting and got pretty much the gist of what happened. So I just thought they did a good job with it and that was a product that I thought we’d look at because that’s the communication part with your website and your whatever, so.

Mrs. Pitcher stated and that’s also a piece of when we look at each project, just like training. Sometimes it’s easier to tackle that project based rather than overall because then you can campaign it and we can target different audiences and campaign those differently. So every project is going to have a different way that we have to tackle that. And so it’s often easier to do that as we go rather than this overall umbrella of you know…

Commissioner Holcomb stated couldn’t agree more. I think this meeting is too much, I think the project would be exactly to the point, so I agree with you 100%. Just the spend, the tool and what was done. The content is, you whittle it down to what you guys see is manageable.

Commissioner Hawes requested Mrs. Pitcher’s response to be stated again as it didn’t get amplified across.

Mrs. Pitcher stated I just said that communication would be more beneficial on a project level where we look at what the project is and how we need to communicate that. And some of them will need to
be campaigned, specific style and then target our audiences as well. As to the point earlier about AMI and Chairman your statement about, you know, customers’ apprehension, we can leverage other utilities that have done this before and what challenges they faced. And do our research to know how we need to communicate and how do we campaign this and we’re going to target this audience differently than we’re going to target this audience. So a lot goes into how do you communicate and how do you bring the community to a level of understanding. But it’s got to be more project specific than overall, you know everything covered.

Commissioner Hawes stated and I guess what I’m saying is to make sure that you leverage the Commission to help you do that. We’re in touch with an awful lot of people and the better we know the story, the better we’re going to be able to help.

Mr. Wilson stated so the point that I would make on this, and hopefully this is what you see, is that you’ve got a well thought out modernization plan that’s operationally, business focused down into the details. And when you do each project, per Mrs. Pitcher’s point, you take that project and say hey, well this is part of the overall plan in this area, now let us tell you about the project and how it’s going to create benefit. You communicate it in bite size but we’re sticking with the overall plan, with adjustments, obviously, and it was well thought out versus we’re just running around spending money on projects. And that’s the real value I think of the message to your customers, they see there’s logic in this.

(2-b) Concurrence by Utilities Commissioners for Recommendations:

Mr. Bunch stated I think if we kind of go back from where we started, utilities are a complex business. We really have a lot of assets all over the place, and you know managing our work on a daily basis our folks leave their offices, they go out to all areas of the territory. Where are they, what work are we doing, what projects are we finishing, all rely on the capabilities that you saw today. And it’s been my experience most utilities approach this on a project by project basis. The company I came from, we did the strategy assessment sort of after the fact because a lot of things were done over many years. But when we started looking at this we recognized that we pretty much had a blank slate. We didn’t have a lot of investments in technology, we weren’t mature in that respect. So while we didn’t have a lot of the capabilities as maybe some others do, it actually put us in a better position to develop an investment strategy. So that all came together in these several studies that you heard referenced today and there were some major aha’s that we learned through the water optimization study that weren’t necessarily expected but all the same really big values. So I guess when we set the purpose of the meeting was to present the recommendations to get approval in principle and then in the future Commission meetings as we get, as we do the updates, we just talked about doing updates and recommended individual project approvals, you would then approve that amount for that project and then we move on. So what we’re asking for at this point would be for the Commission to consider a vote to approve in principal the plan, and then as we move forward and we do updates and come back to you for individual project approvals, get the individual financial approvals then. And then again, as we do the annual budget prioritization with the Directors, you’ll see the stack of projects as it occurs in that year. Then added, so I apologize, we’re ten minutes over.

Commissioner Conrad stated I’d make that motion, unless somebody is already prepared to do it on the Commission. There being no one, she stated all right I’ll make that motion that we approve this in concept and the recommendations and follow up as we go forward and anything else that Mr. Bunch just said.

Commissioner Davenport stated I’ll second that.
Chairman Biedenbach stated okay, it’s been regularly moved and seconded. Is there any discussion, and from on the phone? Commissioner Hawes are you out there?

Commissioner Hawes stated yes.

Chairman Biedenbach stated go ahead, do you want to say something?

Commissioner Hawes stated no.

Chairman Biedenbach stated okay, Mrs. Simmons, please.

Commissioner Conrad’s motion then passed unanimously on a roll call vote.

Chairman Biedenbach then stated it’s been unanimously approved. What else do you want Mr. Bunch?

(3) Next Steps:

Mr. Bunch stated that’s all we wanted to accomplish today. I would like to thank everybody, so Mr. Wilson, with UMS, great job on this work product, the Director team on their work over the last year in getting us to this point, and the Commission, for your support and your vote today. And we will, as we just committed, keep you informed periodically and we’ll talk about the approvals as they come to the Commission. Chairman?

(4) Closing:

Chairman Biedenbach then stated anything else for the good of the organization? There being no further comments, he stated we’ve had enough fun for today and adjourned the Workshop.

Ms. Couillard stated thank you.

Mr. Bunch reiterated, thank you all.

There being no further business to come before the Commission, the U.C. Workshop Meeting closed at 5:10 p.m.

APPROVED: ATTEST:

________________________                                    _____________________________
CHAIRMAN                                                              SECRETARY-TREASURER

These minutes were formally approved by the Utilities Commission at their ______________, 2020 meeting.
CONSENT ITEM FOR MEETING OF: September 28, 2020

NEW BUSINESS FROM: Director of Engineering

OLD BUSINESS SIGNATURE: Julie Couillard

EXHIBITS: Memo from D. Phegley dated 8-31-20; ITB #26-20 Bid Tab.; and Revised Budget Sheet for W.O. No. 20-UW2008

SUBJECT: Ratification - ITB No. 26-20 - South Beach Pump Station Upgrades and Approval of Increased Project Amount

SUMMARY:

The Engineering Department is requesting ratification of the awarded contract for ITB#26-20 South Beach Pump Station Upgrades to McMahan Construction Co., LLC in the amount of $895,000.00. In addition, staff is requesting an approval of an increase to the overall project budget amount, which was previously approved on July 27, 2020 (AI 3-f) in the amount of $844,841.00, to a new amount of $959,841.00.

ITB#26-20 - South Beach Pump Station Upgrades was distributed on June 29, 200 and bids were opened on August 18, 2020. A total of four (4) bids were received and reviewed by U.C. staff. Discrepancies were identified in the lowest bidder’s submittal and staff deemed it disqualified. Upon further evaluation and speaking with references, staff has recommended and awarded the contract to the lowest qualified bidder, McMahan Construction Co., LLC., in the amount of $895,000.00.

As stated above, the South Beach Pump Station Upgrades Project was originally approved in its entirety in the amount of $844,841.00. After reviewing the construction bids it has been determined that the overall project cost is now expected to be $959,841.00, reflecting in an increase of $115,000.00. Attached is the revised budget sheet with an increase in construction costs by about 12%.

Staff recommends the Commission ratify the awarded contract to McMahan Construction Co., LLC., and approve an increased overall budget for this project to the amount of $959,841.00.

RECOMMENDED ACTION:

A motion to ratify the awarded contract to McMahan Construction Co., LLC in the amount of $895,000.00 for ITB No. 26-20 South Beach Pump Station Upgrades and approve a $115,000 increase in the overall project budget for a total amount of $959,841.00, with continuing authorization for the General Manager/CEO or his designee to execute all associated project documents.

GM/CEO Joseph Bunch

NOTE: ALL AGENDA ITEMS MUST BE IN THE GENERAL MANAGER’S OFFICE BY NOON MONDAY TO FRIDAY TWO WEEKS PRIOR TO THE REGULAR MONDAY COMMISSION MEETING.
DATE: August 31, 2020

TO: Julie Couillard, P.E., Director of Engineering

FROM: Darren Phegley, P.E., Construction Supervisor

RE: ITB #26-20 South Beach Pump Station Upgrades

Julie,

On 8/25/20 we received bid submittals from four prospective contractors for ITB #26-20. The apparent low bidder was A. G. Pifer Construction Co., Inc. After a thorough review of each submittal and the bid tabulation, it is my recommendation that we do not award to A. G. Pifer Construction Co., Inc., and instead award the project to McMahan Construction Co., Inc. I’ve attached a copy of the Memo I sent to Purchasing on 8/26/20 detailing the concerns with the low bidder that lead to this decision.

I have confirmed with Purchasing that we can move forward with the award. After reviewing the submitted bid from McMahan Construction Co., Inc and confirming their references, I recommend that we award the project to McMahan Construction Co. Inc. at the September UC Commission Meeting.

Thank You.

Darren M. Phegley
DATE: August 26, 2020
TO: Caleb Fisher, Procurement Supervisor
FROM: Darren Phegley, P.E., Construction Supervisor
RE: ITB #26-20 South Beach Pump Station Upgrades

Caleb,

On 8/25/20 we received bid submittals from four prospective contractors for ITB #26-20. The apparent low bidder was A. G. Pifer Construction Co., Inc. After a thorough review of each submittal and the bid tabulation, it is my recommendation that we do not award to A. G. Pifer Construction Co., Inc., and instead award the project to McMahan Construction Co., Inc. Please find a detailed breakdown below of the concerns with A. G. Pifer Construction Co. Inc.’s bid submittal that lead to this decision:

- **Bid Tabulation: Line Item No 3a – New UCNSB Electric Service:** The contractor wrote in “INCLUDED IN CONTINGENCY”. There was no dollar amount associated with this pay item that would allow us to evaluate versus the other bids received. Page 2 of the Bid Tabulation details what Line Item 10, Contingency can be used for during the project. Permit fees, minor discrepancies between field conditions and the plans, and quantity adjustments are all potential items that can be paid for with contingency funds. By not included a fixed dollar amount for Line Item No 3a, the contractor gave themselves an unfair advantage in potentially obtaining the low bid, one that could not be fairly evaluated against the other bids received.

- **Addendum No 5 –** the contractor failed to sign/acknowledge receipt of the addendum.

- **Bid Tabulation: Line Item 1 – Mobilization/Demobilization:** Concern was raised when the contractor assigned a value of $276,525.00 for this line item. This single line item was about 33% of their bid. Typically, mobilization/demobilization is about 5-10% of the overall bid value.

Page 2 of the Bid Form (page 35 of the ITB package) states the following:

“The COMMISSION reserves the right to award the contract to the Bidder(s) that the COMMISSION deems to offer the best overall bid. The COMMISSION is therefore not bound to accept a bid on the basis of lowest price.” The prospective contractors signed that they have “read and understand this statement.”

In addition, the General Terms and Conditions outlined in the ITB (number 24, shown on page 8) state:
“The COMMISSION reserves the right to reject bids containing any additional terms or conditions not specifically requested in the original conditions and specifications.” Based on the inconsistencies with the low bid, as detailed in this Memo, it is my recommendation that we disqualify the low bidder as non-responsive and award the contract to McMahan Construction Co., Inc.

Thank You.

Darren M. Phegley
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<th>ITB 26-20 SBPS Upgrades</th>
<th>UOM</th>
<th>Eau Gallie Electric</th>
<th>McMahan Const</th>
<th>Chinchor Electric</th>
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Project Name: South Beach Pump Station - Station Upgrades

Fixed Asset: REPLACE MOTORS / PUMPS / INSTALL VFD'S / INSTALL HVAC / REPLACE GENERATOR AND FUEL TANK

Justification for: STANDARDIZE MOTORS AND PUMPS FOR OPERATIONAL EFFICIENCY, PROTECT AGAINST BEACH SIDE WEATHER IMPACTS ON EQUIPMENT

Alternatives: INCREASE MAINTENANCE EXPENDITURES, DECREASED RELIABILITY OF FACILITY

Location/Address: SBPS

Site Preparation or Removal of Existing: DEMO EXISTING EQUIPMENT

Anticipated Start Date: October-18

Anticipated Completion Date: September-21

Project Manager: Darren Phegley

Required Contracts: CITY BUILDING PERMIT, DOH PERMIT, CONSULTING SERVICES, CONSTRUCTION CONTRACT

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### Proposed Funding Sources:

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### Inception thru 9/30/19 16-UW139

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AGENDA ITEM 3-d

CONSENT ITEM

FOR MEETING OF: September 28, 2020

FROM: Director of Engineering

SIGNATURE: Julie Couillard

EXHIBITS: Third Party Easements - Accepted by Director of Engineering - Planet Fitness - RCC New Smyrna Beach Shopping Center, LLC and Coastal Woods - Elbert Land Company LLC

SUBJECT: Granted and Accepted Third Party Utility Easements

SUMMARY:

In accordance with U.C. Resolution No. 2019-05, approved and effective on 9-23-19, limited delegation was authorized by the Utilities Commission to the General Manager-CEO and Director of Engineering to accept granted third party utility easements if presented to the Utilities Commission for ratification of acceptance within 90 days following execution.

Please find attached a utility easement granted to the U.C. for Planet Fitness, by RCC New Smyrna Beach Shopping Center, LLC and a waterline easement agreement (offsite water main) for Coastal Woods (GEOSAM) by Elbert Land Company, LLC.

RECOMMENDED ACTION:

A motion to ratify the acceptance of the third party granted, utility easement granted by RCC New Smyrna Beach Shopping Center, LLC, for Planet Fitness, and a waterline easement agreement (offsite water main) by Elbert Land Company, LLC, for Coastal Woods (GEOSAM), attached hereto and hereby submitted to the Commission.

FUNDING SOURCE(S) N/A

GM/CEO Joseph Bunch

NOTE: ALL AGENDA ITEMS MUST BE IN THE GENERAL MANAGER'S OFFICE BY NOON MONDAY TO FRIDAY TWO WEEKS PRIOR TO THE REGULAR MONDAY COMMISSION MEETING.
UTILITY EASEMENT

THIS UTILITY EASEMENT (the "Easement") is made this 29th of September 2020, by and among RCC NEW SMYRNA BEACH SHOPPING CENTER, LLC, a Delaware limited liability company (the "Grantor"), having a mailing address of 1504 Santa Rosa Road, Suite 100, Richmond, VA 23229, and the UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH (the "Grantee"), having a mailing address of 200 Canal Street, New Smyrna Beach, FL 32168.

WHEREAS, Grantor is the fee simple owner of that certain real estate parcel located in Volusia County, Florida, as more particularly described in Exhibit A attached hereto (the "Grantor’s Property"); and,

WHEREAS, Grantor desires to convey to Grantee a perpetual non-exclusive easement, the right of ingress and egress and right-of-way over a portion of Grantor’s Property as more particularly described in Exhibit B attached hereto ("Easement Lands"), for the purposes of installing, constructing, operating, operation and inspection, relocating, replacing, maintaining and repairing, from time to time, above and underground utility system, including but not specifically limited to: electric along with associated conduits or pipes; and the right to transmit and convey utilities which easement shall run with the land for the benefit of the Grantee, its respective successors and assigns. Grantee, by acceptance of this Easement, has agreed to be bound by all terms and conditions set forth herein.

NOW THEREFORE, in consideration of the sum of Ten and No/100 Dollars ($10.00) and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor and Grantee agree as follows:

1. GRANT OF UTILITY EASEMENT; MAINTENANCE OF UTILITIES. Grantor hereby grants to Grantee, its successors, assigns, and grantees, a non-exclusive perpetual easement across, over, upon and under the Easement Lands for the purposes of installing, constructing, operating, operation and inspection, relocating, replacing, maintaining and repairing, from time to time, above and underground utility system, including but not specifically limited to: electric along with associated conduits or pipes; and the right to transmit and convey utilities (collectively, the "Utility Facilities") for use in connection therewith, together with the right of ingress and egress to and from the Utility Facilities over and along the Easement Lands (together, the "Utility Easement").

2. REPRESENTATION AND WARRANTY. Grantor hereby represents and warrants to Grantee that (i) Grantor is lawfully seized of the Easement Land, (ii) the same is either (a) unencumbered by a mortgage or other lien (excluding lien(s) for ad valorem taxes not yet due and payable), or (b) encumbered only by a mortgage, as to which the mortgagor has executed a joinder and consent to this Easement and the rights granted hereunder, and (iii) Grantor has the right, power and authority to enter into this Easement and grant the Utility Easement herein.
3. **RESERVATION BY GRANTOR/NONEXCLUSIVE USE.** Notwithstanding the rights and easements granted by Grantor under this Easement, Grantor specifically reserves the right to use the Easement Lands for any lawful purposes, however, Grantor shall not build, construct, install or permit to be built, constructed or installed, any improvements, structures, fences, foliage or vegetation, or other improvements of any nature or description on, upon, over or across the Easement Lands which would materially inhibit or impair the use of the Easement Lands by Grantee for utility purposes. However, Grantor, its successors and/or assigns, may install any structure or object, including, but not limited to, fences, gates, signs, trees or poles, foliage or vegetation, which will not materially inhibit or impair the use of the Easement Lands by Grantee for utility purposes within the Easement Lands after Grantor shall obtain written approval from Grantee of such encroachment. In consideration of Grantee’s consent to an encroachment, Grantor, its successors and/or assigns, shall agree to indemnify and hold Grantee harmless from and against all liabilities or damages which may be imposed upon or asserted against Grantee as a result of or in any way connected to an encroachment approved by Grantee. In the case of an emergency needed repair, removal or replacement, in the event Grantee determines that it is necessary to construct, maintain, repair, remove or replace any of its Utility Facilities located under, over or upon the Easement Lands, the Grantor, its successors and/or assigns, of the portion of the Property affected shall immediately remove the encroachment from the Easement Lands upon the request of Grantee at Grantor, its successors and/or assigns’ sole cost and expense. If Grantor, its successors and/or assigns fail to remove the encroachment, Grantee shall have the right to remove the encroachment from the Easement Lands, Grantor, its successors and/or assigns shall pay all costs incurred by Grantee related to removing the encroachment from the Easement Lands. The Grantee, and its contractors, agents, and employees, shall have the right to trim or cut trees, shrubbery or vegetation, and roots that may endanger or interfere with the Utility Facilities and shall have free access to the Utility Facilities and every part of it at all times, for the purpose of exercising the rights herein granted.

4. **ENFORCEMENT; ATTORNEYS FEES.** In the event of a failure of any party or parties to perform any of its obligations contained in this Easement, any party or parties affected by this instrument shall be entitled to institute proceedings for full and adequate relief from the consequences of such default, including but not limited to injunctive relief. In the event an action is instituted pursuant to Paragraph 3, the non-prevailing party or parties shall pay the reasonable attorney's fees and expenses of the prevailing party or parties.

5. **BINDING EFFECT; MODIFICATION.** This Easement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. This Easement and the terms and provisions hereof shall be deemed covenants running with the land for all purposes and may be amended or modified only by an instrument in recordable form, executed by all of the parties hereto. Without limiting the foregoing, Grantor acknowledge that Grantee’s rights under this Easement are assignable; that Grantee may enter into agreements to sell or otherwise may transfer Grantee’s Property, either to affiliates of Grantee or to third parties, and that Grantor hereby consent to Grantee’s assignment of all of its right, title and interest and its delegation of all of its obligations created under this Easement upon any such the sale or transfer and, upon any such assignment, Grantee shall be forever released and discharged from any and all claims, demands and damages which Grantor may have, make or suffer as a result of anything done or occurring after the date of such assignment. The term “Grantee” shall also mean any successors, assigns, employees or contractors of Grantee.

6. **NO DEDICATION.** Nothing contained in this Easement shall be deemed to create a gift or be deemed a dedication of any portion of the Easement Land to the general public or for any
public use or purpose whatsoever, it being the intention of the parties that nothing in this Easement, expressed or implied, shall confer upon any person, other than the parties hereto and their respective successors and assigns, any rights or remedies under or by reason of this Easement.

7. **SEVERABILITY.** If any term or provision of this Easement or the application thereof to any person or circumstances shall, to any extent, be invalid and unenforceable, the remainder of this Easement or the application of such terms or provision to persons or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby, and each term or provision of this Easement shall be valid and shall be enforced to the fullest extent permitted by law.

8. **INDEMNIFICATION OF THE PARTIES.** The parties shall indemnify and hold each other harmless from and against any and all claims, liens, demands, losses, liabilities, costs (including attorney's fees), or expenses of any kind arising from the parties, their members, tenants, agents, employees, and invitees use of the Easement Lands in connection with the parties' exercise of their rights under this Easement.

(Signatures to follow)
IN WITNESS WHEREOF, the Grantor and Grantee have set their hands and seals as of the day and year first above written.

Signed, Sealed and Delivered in Our Presence:

Grantor:

RCC NEW SMYRNA BEACH SHOPPING CENTER, LLC, a Delaware limited liability company

By: HRE Fund GP III, LLC, a Delaware limited liability company, its Manager

Witnesses:

(Sign on this line)

[Signature]

(Print name legibly on this line)

Forrester Lewis

(Sign on this line)

[Signature]

(Print name legibly on this line)

Don Kanencik

COMMONWEALTH OF VIRGINIA
COUNTY OF HENRICO

The foregoing instrument was acknowledged before me this 8TH day of SEPTEMBER, 2020, by Ashby R. Hackney, as Managing Member of HRE Fund GP III, LLC, Manager of RCC New Smyrna Beach Shopping Center, LLC, to me personally known or who has provided the following identification, PERSONALLY KNOWN , who did take an oath.

Notary Public, State of
My Commission Expires: NOVEMBER 30, 2021

Monique Cozart Scott
NOTARY PUBLIC
Comm # 7548465
COMMONWEALTH OF VIRGINIA
My Commission Expires November 30, 2021
Signed, Sealed and Delivered in Our Presence:

Grantee: UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FL

Witnesses:

(Sign on this line)

ALINA DAWSON
(Print name legibly on this line)

(Sign on this line)

JING FENG Ho
(Print name legibly on this line)

By: Julie Couillard

Its: Director of Engineering

STATE OF FLORIDA
COUNTY OF VOLUSIA

The foregoing instrument was acknowledged before me this 9th day of Sept., 2020, by Julie Couillard, P.E., as Director of Engineering of UTILITIES COMMISSION, CITY OF NSB, to me personally known or who has provided the following identification, ____________________________, who did take an oath.

Notary Public, State of
My Commission Expires: 10/10/2023

MELISSA COX
MY COMMISSION # GG342464
EXPIRES: June 06, 2023
EXHIBIT A
(Grantor's Property)

All that certain lot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the City of New Smyrna Beach, County of Volusia, State of Florida.

All Blocks 1 and 2; that part of Block 5, and Lots 1 to 9 inclusive, Block 4, lying East of U.S. No. 1 Highway (South Dixie Freeway), EDSONRIDGE SUBDIVISION UNIT NO. 2, according to the plat thereof as recorded in Map Book 19, Page 96, of the Public Records of Volusia County, Florida, and that part of Orange Street abandoned lying East of U.S. No. 1 Highway and lying between Blocks 1 and 2, and Blocks 4 and 5, said EDSONRIDGE SUBDIVISION, that part of Seventh Street abandoned lying East of U.S. No. 1 Highway, lying between Blocks 1 and 4, between Blocks 2 and 5, and that part in the intersection of Orange Street and Seventh Street, said EDSONRIDGE SUBDIVISION and that part of Cypress Street lying East of U.S. No. 1 Highway and South of Sixth Street, EDSONRIDGE SUBDIVISION, also described as:

Begin at the Northeast corner of Lot 1, Block 1, EDSONRIDGE SUBDIVISION NO. 2, according to the plat thereof as recorded in Map Book 19, Page 96, of the Public Records of Volusia County, Florida: thence South 21° 10’ 41” East along the East line of Blocks 1 and 4, 1376.10 feet; thence South 18° 53’ 41” East 51.6 feet to the Southeasterly most corner of Lot 9, Block 4 of said EDSONRIDGE SUBDIVISION Unit No. 2; thence South 71° 23’ 19” West along the southerly line of said Lot 9 Block 4 a portion of which also being along the Easterly Right of Way line of U.S. Highway No. 1, a distance of 68.74 feet to a point on a circular curve concaved Northeasterly, having a radius of 1860.08 feet and to which point a radial line bears South 35° 07’ 29” West; thence Northwesterly along the Easterly Right of Way line of U.S. Highway No. 1 and along the arc of said curve through a central angle of 9° 08’ 10” an arc distance of 296.60 feet to a point lying on the Easterly line of Lot 5, Block 5 of said EDSONRIDGE SUBDIVISION UNIT NO. 2, and to which point a radial line bears South 44° 15’ 39” West; thence North 21° 10’ 41” West along said Easterly Right of Way line and the Easterly line of said Lot 5 a distance of 66.60 feet; thence South 71° 23’ 19” West along said Easterly Right of Way line and the Northerly line of said Lot 5 a distance of 29.45 feet to a point on a circular curve concaved Northeasterly having a radius of 1860.08 feet, and to which point a radial line bears South 46° 32’ 28” West, thence Northwesterly along said Easterly Right of Way line and along the arc of said Curve through a central angle of 16° 15’ 32”, an arc distance of 527.84 feet to a point which a radial line bears South 62° 48’ 00” West; thence North 26° 37’ 21” West along said Easterly Right of Way line a distance of 595.46 feet to the South Right of Way line of Sixth Street; thence along said South Right of Way line North 70° 01’ 19” East 367.3 feet to the Point of Beginning, otherwise described as that part of EDSONRIDGE SUBDIVISION NO. 2, [according to the plat recorded in Map Book 19, Page 96], of the Public Records of Volusia County, Florida, including Seventh Street, Orange Street and Cypress Street (said Streets having been vacated), EXCEPT property conveyed to City of New Smyrna Beach described as follows:

Commencing at the Northeast corner of Lot 1, Block 1, EDSONRIDGE SUBDIVISION , UNIT NO. 2, according to the plat recorded in Map Book 19, Page 96, of the Public Records of Volusia County, Florida, thence South 21° 10’ 41” East along the Easterly property line of Lots 1 to 9, inclusive, Block 1, of said EDSONRIDGE SUBDIVISION a distance of 579.00 feet; thence South 70° 01’ 19” West along the Southerly lot line of Lot 9, a distance of 38.90 feet to the Point of Beginning; thence South 21° 10’ 41” East along existing chain link fence a distance of 2.28 feet to face of building; thence South 68° 49’ 19” West along face of building a distance of 8.00 feet; thence North 21° 10’ 41” West along chain link fence a distance of 17.00 feet; thence north 68° 49’ 19” East along chain link fence a distance of 8.00 feet; thence South 21° 10’ 41” East along chain link fence a distance of 14.72 feet to Point of Beginning, being the site of a lift station.
EXHIBIT B
(EASEMENT LANDS)
SURVEYORS NOTES

1. NOTICE: THERE MAY BE ADDITIONAL RESTRICTIONS AND/OR OTHER MATTERS THAT ARE NOT SHOWN ON THIS PLAT OF SURVEY/SKETCH OF DESCRIPTION THAT MIGHT BE FOUND IN THE PUBLIC RECORDS OF THIS COUNTY. THIS SURVEY/SKETCH OF DESCRIPTION PREPARED WITHOUT BENEFIT OF AN ABSTRACT.

2. DIMENSIONS ARE SHOWN IN FEET AND DECIMALS THEREOF.

3. BEARING STRUCTURE ASSUMED WITH THE EAST LINE OF LOT 1 BEING S 21°10'41" E.

4. "NOT VALID WITHOUT THE SIGNATURE AND THE ORIGINAL RAISED SEAL OR VALID ELECTRONIC SIGNATURE OF A FLORIDA LICENSED SURVEYOR AND MAPPER."

DESCRIPTION:

A PORTION OF LOTS 9 AND 10, BLOCK 1, EDSONRIDGE SUBDIVISION NO 2, AS RECORDED IN MAP BOOK 19, PAGE 96 OF THE PUBLIC RECORDS, VOLUSIA COUNTY, FLORIDA. BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTHEAST CORNER OF LOT 1, BLOCK 1, EDSONRIDGE SUBDIVISION NO 2, AS RECORDED IN MAP BOOK 19, PAGE 96 OF THE PUBLIC RECORDS, VOLUSIA COUNTY, FLORIDA, THENCE RUN S21°10'41"E ALONG THE EAST LINE OF SAID BLOCK 1, A DISTANCE OF 583.47 FEET TO A POINT ON THE EAST LINE OF SAID LOT 9 AND THE POINT OF BEGINNING; THENCE CONTINUE ALONG SAID EAST LINE S21°10'41"E, 10.59 FEET; THENCE DEPART SAID EAST LINE S49°39'04"W, 14.60 FEET; THENCE S21°20'13"E, 1.25 FEET; THENCE S58°38'53"W, 11.11 FEET; THENCE N21°21'03"W, 13.41 FEET; THENCE N68°38'53"E, 11.15 FEET; THENCE S21°20'13"E, 2.11 FEET; THENCE N62°52'17"E, 10.35 FEET; THENCE N49°36'04"E, 16.92 FEET TO THE SAID EAST LINE OF LOT 9 AND THE POINT OF BEGINNING.

CONTAINING 0.010 ACRES MORE OR LESS.

REFERENCE: A PORTION OF LOTS 9 AND 10, BLOCK 1, EDSONRIDGE SUBDIVISION NO 2

PLAT PREPARED FOR THE FOLLOWING: (ONLY THE LAST DATE IS CERTIFIED ON SEALED COPY)

THIS PLAT OF SURVEY IS CERTIFIED TO AND PREPARED FOR THE SOLE AND EXCLUSIVE BENEFIT OF THE ENTITIES AND/OR INDIVIDUALS LISTED BELOW, ON THE MOST CURRENT DATE, AND SHALL NOT BE RELIED UPON BY ANY OTHER ENTITY OR INDIVIDUAL WHOMSOEVER.

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NOT CERTIFIED TO ANY ENTITIES AND/OR INDIVIDUALS OTHER THAN THOSE LISTED ABOVE.

SHEET 2 OF 2 VALID WITH SIGNATURE & EMBOSSED SEAL ONLY

FOR: SUNSHINE FITNESS MANAGEMENT

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I HEREBY CERTIFY THAT THIS PLAT MEETS THE STANDARDS OF PRACTICE SET FORTH IN THE FLORIDA BOARD OF PROFESSIONAL SURVEYORS AND MAPPERS IN CHAPTER 55-17.03, FLORIDA ADMINISTRATIVE CODE, PURSUANT TO SECTION 472.027, FLORIDA STATUTES.

Joseph
E.Zapert

Date 10-28-2020

J.E. ZAPERT, P.L.S. NO. 4046
JEFF BARNES, P.S.M. NO. 5579
C.O. VAN KLEIN Jr., P.S.M. NO. 6149
MICHAEL S. MURPHY, P.S.M. NO. 8208
POINT OF COMMENCEMENT
NORTHEAST CORNER LOT 1

LOT 8
EDSONRIDGE SUBDIVISION NO 2
MAP BOOK 19, PAGE 96

BLOCK 1
LOT 9

Lot 10

FOR: SUNSHINE FITNESS MANAGEMENT
DESCRIPTION: A PORTION OF LOTS 9 AND 10, BLOCK 1, EDSONRIDGE
SUBDIVISION NO 2, AS RECORDED IN MAP BOOK 19, PAGE 96 OF THE
PUBLIC RECORDS, VOLUSIA COUNTY, FLORIDA.
SEE SHEET 2 FOR COMPLETE DESCRIPTION.

SCALE: 1"=20'
FIELD BOOK: 1345 PAGE: 50

ABBREVIATIONS

LEGEND

SHEET 1 OF 2
WATER LINE EASEMENT AGREEMENT

THIS WATER LINE EASEMENT (this “Easement Agreement”) is made this 16th of Sept., 2020, by and among ELBERT LAND COMPANY, LLC, a Florida limited liability company (“Grantor”), having a mailing address of 409 Langholm Drive, Winter Park, FL 32789, and the GEOSAM CAPITAL US (VENETIAN BAY) LP, a Delaware limited partnership (“Grantee”), having a mailing address of 424 Luna Bella Lane, Suite 122, New Smyrna Beach, FL 32168, along with the UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, having a mailing address of 200 Canal Street, New Smyrna Beach, FL 32168 (“Utilities Commission”).

WITNESSETH:

WHEREAS, Grantor is the fee simple owner of that certain real estate parcel located in Volusia County, Florida, as more particularly described in Exhibit A attached hereto (the “Grantor’s Property”); and

WHEREAS, Grantee is the fee simple owner and developer of real property adjacent to the Grantor’s Property within Volusia County, Florida (the “Grantee’s Property”); and

WHEREAS, Grantee requires a non-exclusive perpetual easement, the right of ingress and egress over a portion of Grantor’s Property as more particularly described in Exhibit B attached hereto (“Easement Lands”), for the purpose of construction, installation, repair, replacement, operation, inspection, connection to, and disconnection from certain facilities for the provision of water, including water lines, water mains, pipes, service lines, tees, joints and appurtenances, in order to bring water services to Grantee’s Property, which easement shall run with the land for the benefit of Grantee, its respective successors and assigns. Grantee, by acceptance of this Easement Agreement, has agreed to be bound by all terms and conditions set forth herein.

NOW THEREFORE, in consideration of the sum of Ten and No/100 Dollars ($10.00) and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor, Grantee, and the Utilities Commission agree as follows:

1. Incorporation of Recitals. The foregoing recitals are hereby incorporated fully herein by this reference.

2. Grant of Easement. Grantor hereby voluntarily grants and conveys to Grantee, its successors, assigns, and grantees, a perpetual non-exclusive across, over, upon and under the Easement Lands, for the purposes of construction, installation, repair, replacement, operation, inspection, connection to, and disconnection from certain facilities for the provision of water, including water lines, water mains, pipes, service lines, tees, joints and appurtenances (collectively, the “Water Line Facilities”) for use in connection therewith, together with the right of ingress and egress to and from the Water Line Facilities over and along the Easement Lands (together, the “Water Line Easement”). Said Water Line Easement shall be of the nature and character and to the extent hereinafter set forth.

3. Purpose of Water Line Easement. The Water Line Easement is granted for the express and sole purpose of allowing Grantee to perpetually access and use Grantor’s Property within the Easement
Lands for the construction, installation, repair, replacement, operation, inspection, connection to, and disconnection from such Water Line Facilities as may be reasonably and customarily necessary for Grantee to provide water service to the Grantee’s Property.

4. **Rights and Obligations of Grantee.** To accomplish the purpose stated above, and at Grantee’s sole expense, the following rights are conveyed to Grantee by this Easement Agreement:

   (a) the right for Grantee to inspect, alter, improve, construct, repair, rebuild, replace, relocate, operate, remove, connect to, and disconnect from the Water Line Facilities and related appurtenances within the Water Line Easement;

   (b) all other rights and privileges reasonably and customarily necessary or convenient for Grantee’s safe and efficient operation, replacement and/or repair of the Water Line Facilities, including convenient and reasonable access to such facilities; and

   (c) for the enjoyment and use of said Water Line Facilities for the purposes described above.

In addition, Grantee agrees to and shall promptly restore, or cause to be restored; the surface and subsurface of the real property described herein to the condition Grantor’s Property was in prior to the performance of any construction, reconstruction, replacement, removal, enlargement, operation, inspection, repair, improvement, relocation or any other use or work contemplated by this Easement Agreement. Any such restoration shall be in a workman like manner acceptable to the Grantor. Grantee shall use its best efforts in its use of the Easement Lands to not interfere with use by Grantor, its tenants, guests and invitees of adjacent property owned by Grantor.

5. **Grantor’s Use of Easement.** Subject to and conditioned upon the provisions of Paragraph 3 of this Easement Agreement, Grantor hereby reserves for itself the right to use the Easement Lands; provided, however, that Grantor’s use may not (i) violate any provision of this Easement Agreement, or (ii) unreasonably interfere with any of Grantee’s Water Line Easement, rights or interest under this Easement Agreement. Notwithstanding anything to the contrary contained herein, Grantor shall not have the right to relocate the Water Line Easement on Grantor’s Property.

6. **Termination Easement Agreement; New Grant of Easement.** Upon Grantee’s completion and acceptance of the construction of the portion of the Water Line Facilities upon the Easement Lands by the Utilities Commission, said Water Line Facilities will be transferred to the Utilities Commission. Upon the request of Grantee or the Utilities Commission, Grantor shall grant and convey to the Utilities Commission, by separate instrument in a form acceptable to the Utilities Commission, a perpetual non-exclusive easement, the right of ingress and egress and right-of-way over the Easement Lands for the purposes of installing, constructing, operating, operation and inspection, relocating, replacing, maintaining and repairing, from time to time, cables, conduits, transformers, pipes and all necessary utility facilities and fixtures, including the Water Line Facilities (the “Utility Easement”). Upon execution of the Utility Easement, Grantee shall execute a separate instrument which shall terminate this Easement Agreement (the “Termination Agreement”). Thereafter, both the Utility Easement and Termination Agreement shall be recorded simultaneously.

7. **Easement Runs with the Land.** The Water Line Easement shall remain a charge against the Grantor’s Property. Therefore, the Water Line Easement shall run with the land and be automatically assigned by any deed or other conveyance conveying the Easement Lands, or a portion thereof, relating to these easements, even though the conveyance makes no reference to these easements as such.

8. **Recordation.** Grantee shall record this instrument in a timely fashion in the Official Records of Volusia County, Florida and may re-record it at any time as may be required to preserve its rights in this Easement Agreement.
9. **Indemnification of the Parties.** The parties shall indemnify and hold each other harmless from and against any and all claims, liens, demands, losses, liabilities, costs (including attorney's fees), or expenses of any kind arising from the parties, their members, tenants, agents, employees, and invitees use of the Easement Lands in connection with the parties' exercise of their rights under this Easement Agreement.

10. **Injunctive Relief.** The parties agree that, in the event of default, there may not be an adequate remedy at law, and therefore, it is agreed the parties shall be entitled to seek injunctive relief, including a mandatory injunction.

11. **Binding Effect; Modification.** This Easement Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. This Easement Agreement and the terms and provisions hereof shall be deemed covenants running with the land for all purposes and may be amended or modified only by an instrument in recordable form, executed by all of the parties hereto. Without limiting the foregoing, **Grantor** acknowledges that **Grantee's** rights under this Easement Agreement are assignable; that **Grantee** may enter into agreements to sell or otherwise may transfer Grantee's Property, either to affiliates of **Grantee** or to third parties, and that **Grantor** hereby consent to **Grantee's** assignment of all of its right, title and interest and its delegation of all of its obligations created under this Easement Agreement upon any such the sale or transfer and, upon any such assignment, **Grantee** shall be forever released and discharged from any and all claims, demands and damages which **Grantor** may have, make or suffer as a result of anything done or occurring after the date of such assignment. The term "Grantor" or "Grantee" shall also mean any successors, assigns, employees or contractors of Grantor or Grantee, respectively.

12. **Entire Agreement.** This Easement Agreement constitutes the full and entire agreement between the parties hereto and supersedes any oral or written prior communications between the parties related to the subject matter contained in this Easement Agreement. The laws of Florida shall govern this Easement Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK. SIGNATURE PAGE follows.]
IN WITNESS WHEREOF, Grantor, Grantee, and the Utilities Commission have set their hands and seals as of the day and year first above written.

Signed, Sealed and Delivered in Our Presence:

Witnesses:

(Sign on this line)

John Valantzis

(Print name legibly on this line)

(Sign on this line)

John Andel

(Print name legibly on this line)

STATE OF FLORIDA
COUNTY OF VOLUSIA

The foregoing instrument was acknowledged before me this ___ day of August, 2020, by Robert Andrew Andel as Manager of Elbert Land Company, LLC, a Florida limited liability company, to me personally known or who has provided the following identification, _____________ who did take an oath.

Notary Public State of Florida
Sarah Curtis
My Commission Expires: 07/11/2023

Witnesses:

(Sign on this line)

(Sign on this line)

(Sign on this line)

Grantor:

ELBERT LAND COMPANY, LLC, a Florida limited liability company

(Sign on this line)

By: Robert Andrew Andel

Its: Manager

Grantee:

GEOSAM CAPITAL US (VENETIAN BAY) LP, a Delaware limited partnership
By: Geosam Capital US GP LLC, a Delaware limited liability company, its General Partner

(Sign on this line)

By: David Shahinian

Its: Manager
STATE OF FLORIDA
COUNTY OF VOLUSIA

The foregoing instrument was acknowledged before me this 16th day of September, 2020, by David Shahinian, as Manager of Geosam Capital US GP LLC, a Delaware limited liability company and General Partner of Geosam Capital US (Venetian Bay) LP, a Delaware limited partnership, to me personally known or who has provided the following identification, _____________ who did take an oath.

TONYA GANDY
MY COMMISSION # GG 083972
EXPIRES: July 16, 2021
Bonded thru Notary Public Underwriters

Notary Public, State of Florida
My Commission Expires: 9-14-2031

Utilities Commission:

UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FL

Julie Couillard
(Sign on this line)
(Print name legibly on this line)

By: JUlie COUILLARD
Its: DIRECTOR OF ENGINEERING

Witnesses:

James Tiffany
(Sign on this line)
(Print name legibly on this line)

Nick Powers
(Sign on this line)
(Print name legibly on this line)

STATE OF FLORIDA
COUNTY OF VOLUSIA

The foregoing instrument was acknowledged before me this 16th day of Sept., 2020, by Julie Couillard, as Director of Engineering, Utilities Commission, City of New Smyrna Beach, to me personally known or who have provided the following identification, _____________ who did take an oath.

Notary Public, State of Florida
My Commission Expires: 6/6/2023
EXHIBIT A

That part of the U.S. Lot 4, Section 10, Township 17 South, Range 33 East, lying North of State Road 40A (Pioneer Trail) and lying West of a line described as follows:

Commence at the Southeast corner of said U.S. Lot 4; thence West along the South line of said Section 10, 22 feet to the North R/W line of said State Road 40A; thence along said North R/W line North 61°22' West 225 feet for the POINT OF BEGINNING; thence North 1°47' West to the West line of the Joseph Bonelly Grant except the West 61 feet of said U.S. Lot 4, lying North of State Road 40 A (Pioneer Trail).
LEGAL DESCRIPTION:
A PORTION OF THE SOUTHWEST 1/4 OF SECTION 10 AND A PORTION OF THE SOUTHEAST 1/4 OF SECTION 9, TOWNSHIP 17 SOUTH, RANGE 33 EAST, VOLUSIA COUNTY, FLORIDA BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE SOUTHWEST CORNER OF SECTION 10, TOWNSHIP 17 SOUTH, RANGE 33 EAST, VOLUSIA COUNTY, FLORIDA; RUN THENE N01°37'14"W ALONG THE WEST LINE OF THE SOUTHWEST 1/4 OF SAID SECTION 10, A DISTANCE OF 744.17 FEET TO A POINT ON THE NORTHERLY PRESCRIPTIVE RIGHT-OF-WAY LINE OF PIONEER TRAIL; THENCE N61°20'51"W ALONG SAID NORTHERLY PRESCRIPTIVE RIGHT-OF-WAY LINE, A DISTANCE OF 16.06 FEET FOR A POINT OF BEGINNING; THENCE CONTINUE N61°20'51"W A DISTANCE OF 15.00 FEET; THENCE N28°45'01"E A DISTANCE OF 34.41 FEET; THENCE S61°14'59"E A DISTANCE OF 1,259.70 FEET; THENCE S28°39'56"W A DISTANCE OF 32.26 FEET TO A POINT ON SAID NORTHERLY PRESCRIPTIVE RIGHT-OF-WAY LINE OF PIONEER TRAIL; THENCE N61°20'51"W ALONG SAID NORTHERLY PRESCRIPTIVE RIGHT-OF-WAY LINE, A DISTANCE OF 15.00 FEET; THENCE N28°39'56"E A DISTANCE OF 17.28 FEET; THENCE N61°14'59"W A DISTANCE OF 592.41 FEET; THENCE S28°45'01"W A DISTANCE OF 18.29 FEET; THENCE N61°20'51"W ALONG SAID NORTHERLY PRESCRIPTIVE RIGHT-OF-WAY LINE, A DISTANCE OF 15.00 FEET; THENCE N28°45'01"E A DISTANCE OF 18.32 FEET; THENCE N61°14'59"W A DISTANCE OF 185.00 FEET, THENCE S28°45'01"W A DISTANCE OF 18.64 FEET TO A POINT ON SAID NORTHERLY PRESCRIPTIVE RIGHT-OF-WAY LINE OF PIONEER TRAIL; THENCE N61°20'51"W ALONG SAID NORTHERLY PRESCRIPTIVE RIGHT-OF-WAY LINE, A DISTANCE OF 15.00 FEET; THENCE N28°45'01"E A DISTANCE OF 18.66 FEET; THENCE N61°14'59"W A DISTANCE OF 185.00 FEET; THENCE S28°45'01"W A DISTANCE OF 18.98 FEET TO A POINT ON SAID NORTHERLY PRESCRIPTIVE RIGHT-OF-WAY LINE OF PIONEER TRAIL; THENCE N61°20'51"W ALONG SAID NORTHERLY PRESCRIPTIVE RIGHT-OF-WAY LINE, A DISTANCE OF 15.00 FEET; THENCE N28°45'01"E A DISTANCE OF 19.00 FEET; THENCE N61°14'59"W A DISTANCE OF 222.31 FEET; THENCE S28°45'01"W A DISTANCE OF 19.38 FEET TO THE POINT OF BEGINNING.

CONTAINS 20,285 SQUARE FEET OR 0.466 ACRES MORE OR LESS.

CERTIFIED TO:
GEOSAM CAPITAL US LP

GENERAL NOTES:
1. Bearing structure based on the West line of the Southeast corner of Section 10, Township 17 South, Range 33 East, being: N00°49'09"W.
2. This surveyor has not made a search of the public records for any dedications, limitations, restrictions or easements other than shown hereon.
3. This Sketch of Description has been made for the exclusive use of the entities prepared for, herein and does not extend to any unnamed parties.
4. This Sketch of Description is not a Survey.
5. This Sketch is "Not Valid" without the signature and the original raised seal of this Florida licensed Surveyor and Mapper, unless provided with electronic signature with the ability to validate. (See: www.altamaxsurveying.com for instructions on signature validation). The seal appearing on this document was authorized by signing Professional Surveyor and Mapper on the Date of the electronic signature.

LEGEND
- CENTERLINE
- CBW - CONCRETE BLOCK WALL
- CD - CHAIN LINK FENCE
- CM - CONCRETE MONUMENT
- CONC - CONCRETE
- COVD - COVERED
- CM - CONCRETE HOLIDAY
- A - CENTRAL ANGLE
- (°) - DEGREES
- DE - DRAWN EASEMENT
- D - DRAINAGE
- EP - EDGE OF PAVEMENT
- ESMT - EASEMENT
- FH - FIRE HYDRANT
- FE - FINISHED ELEVATION
- FRD - FOUND
- INST - INSTRUMENT NUMBER
- IR - IRON PIPE
- IR - IRON ROD
- L - ARC LENGTH
- M - MEASURED
- MS - METAL STUD
- NDB - NAIL AND DRILL
- OBR - OFFICIAL RECORDS BOOK
- OW - OFFICE WATER
- (P) - PLAT
- PB - PLAT BOOK
- PG - PAGE
- POB - POINT OF BEGINNING
- PVC - POINT OF COMMENCEMENT
- R/W - RIGHT OF WAY
- R - RADIUS
- TR - TELEPHONE RISER
- TP - TYPICAL
- UE - UTILITY EASEMENT
- UP - UTILITY POLE
- # - NUMBER

Altamax Surveying
910 Belle Avenue, Suite 1140
Casselberry, FL 32708
Phone: 407-677-0200
Licensed Business No. 7833
www.altamaxsurveying.com

James D. Bray PSM 6507
SUMMARY:

In accordance with U.C. Resolution No. 2019-05, approved and effective on 9-23-19, limited delegation was authorized by the Utilities Commission to the General Manager-CEO and Director of Engineering to accept granted third party utility easements if presented to the Utilities Commission for ratification of acceptance within 90 days following execution.

Please find attached a utility easement granted to the U.C. for Planet Fitness, by RCC New Smyrna Beach Shopping Center, LLC and a waterline easement agreement (offsite water main) for Coastal Woods (GEOSAM) by Elbert Land Company, LLC.
UTILITY EASEMENT

THIS UTILITY EASEMENT (the "Easement") is made this 28th of September 2020, by and among RCC NEW SMYRNA BEACH SHOPPING CENTER, LLC, a Delaware limited liability company (the “Grantor”), having a mailing address of 1504 Santa Rosa Road, Suite 100, Richmond, VA 23229, and the UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH (the "Grantee"), having a mailing address of 200 Canal Street, New Smyrna Beach, FL 32168.

WHEREAS, Grantor is the fee simple owner of that certain real estate parcel located in Volusia County, Florida, as more particularly described in Exhibit A attached hereto (the "Grantor’s Property"); and,

WHEREAS, Grantor desires to convey to Grantee a perpetual non-exclusive easement, the right of ingress and egress and right-of-way over a portion of Grantor’s Property as more particularly described in Exhibit B attached hereto ("Easement Lands"), for the purposes of installing, constructing, operating, operation and inspection, relocating, replacing, maintaining and repairing, from time to time, above and underground utility system, including but not specifically limited to: electric along with associated conduits or pipes; and the right to transmit and convey utilities which easement shall run with the land for the benefit of the Grantee, its respective successors and assigns. Grantee, by acceptance of this Easement, has agreed to be bound by all terms and conditions set forth herein.

NOW THEREFORE, in consideration of the sum of Ten and No/100 Dollars ($10.00) and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor and Grantee agree as follows:

1. GRANT OF UTILITY EASEMENT; MAINTENANCE OF UTILITIES. Grantor hereby grants to Grantee, its successors, assigns, and grantees, a non-exclusive perpetual easement across, over, upon and under the Easement Lands for the purposes of installing, constructing, operating, operation and inspection, relocating, replacing, maintaining and repairing, from time to time, above and underground utility system, including but not specifically limited to: electric along with associated conduits or pipes; and the right to transmit and convey utilities (collectively, the "Utility Facilities") for use in connection therewith, together with the right of ingress and egress to and from the Utility Facilities over and along the Easement Lands (together, the "Utility Easement").

2. REPRESENTATION AND WARRANTY. Grantor hereby represents and warrants to Grantee that (i) Grantor is lawfully seized of the Easement Land, (ii) the same is either (a) unencumbered by a mortgage or other lien (excluding lien(s) for ad valorem taxes not yet due and payable), or (b) encumbered only by a mortgage, as to which the mortgagee has executed a joinder and consent to this Easement and the rights granted hereunder, and (iii) Grantor has the right, power and authority to enter into this Easement and grant the Utility Easement herein.
3. **RESERVATION BY GRANTOR/NONEXCLUSIVE USE.** Notwithstanding the rights and easements granted by Grantor under this Easement, Grantor specifically reserves the right to use the Easement Lands for any lawful purposes, however, Grantor shall not build, construct, install or permit to be built, constructed or installed, any improvements, structures, fences, foliage or vegetation, or other improvements of any nature or description on, upon, over or across the Easement Lands which would materially inhibit or impair the use of the Easement Lands by Grantee for utility purposes. However, Grantor, its successors and/or assigns, may install any structure or object, including, but not limited to, fences, gates, signs, trees or poles, foliage or vegetation, which will not materially inhibit or impair the use of the Easement Lands by Grantee for utility purposes within the Easement Lands after Grantor shall obtain written approval from Grantee of such encroachment. In consideration of Grantee’s consent to an encroachment, Grantor, its successors and/or assigns, shall agree to indemnify and hold Grantee harmless from and against all liabilities or damages which may be imposed upon or asserted against Grantee as a result of or in any way connected to an encroachment approved by Grantee. In the case of an emergency needed repair, removal or replacement, in the event Grantee determines that it is necessary to construct, maintain, repair, remove or replace any of its Utility Facilities located under, over or upon the Easement Lands, the Grantor, its successors and/or assigns, of the portion of the Property affected shall immediately remove the encroachment from the Easement Lands upon the request of Grantee at Grantor, its successors and/or assigns’ sole cost and expense. If Grantor, its successors and/or assigns fail to remove the encroachment, Grantee shall have the right to remove the encroachment from the Easement Lands, Grantor, its successors and/or assigns shall pay all costs incurred by Grantee related to removing the encroachment from the Easement Lands. The Grantee, and its contractors, agents, and employees, shall have the right to trim or cut trees, shrubbery or vegetation, and roots that may endanger or interfere with the Utility Facilities and shall have free access to the Utility Facilities and every part of it at all times, for the purpose of exercising the rights herein granted.

4. **ENFORCEMENT; ATTORNEYS FEES.** In the event of a failure of any party or parties to perform any of its obligations contained in this Easement, any party or parties affected by this instrument shall be entitled to institute proceedings for full and adequate relief from the consequences of such default, including but not limited to injunctive relief. In the event an action is instituted pursuant to Paragraph 3, the non-prevailing party or parties shall pay the reasonable attorney’s fees and expenses of the prevailing party or parties.

5. **BINDING EFFECT; MODIFICATION.** This Easement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. This Easement and the terms and provisions hereof shall be deemed covenants running with the land for all purposes and may be amended or modified only by an instrument in recordable form, executed by all of the parties hereto. Without limiting the foregoing, Grantor acknowledge that Grantee’s rights under this Easement are assignable; that Grantee may enter into agreements to sell or otherwise may transfer Grantee’s Property, either to affiliates of Grantee or to third parties, and that Grantor hereby consent to Grantee’s assignment of all of its right, title and interest and its delegation of all of its obligations created under this Easement upon any such the sale or transfer and, upon any such assignment, Grantee shall be forever released and discharged from any and all claims, demands and damages which Grantor may have, make or suffer as a result of anything done or occurring after the date of such assignment. The term “Grantee” shall also mean any successors, assigns, employees or contractors of Grantee.

6. **NO DEDICATION.** Nothing contained in this Easement shall be deemed to create a gift or be deemed a dedication of any portion of the Easement Land to the general public or for any
public use or purpose whatsoever, it being the intention of the parties that nothing in this Easement, expressed or implied, shall confer upon any person, other than the parties hereto and their respective successors and assigns, any rights or remedies under or by reason of this Easement.

7. **SEVERABILITY.** If any term or provision of this Easement or the application thereof to any person or circumstances shall, to any extent, be invalid and unenforceable, the remainder of this Easement or the application of such terms or provision to persons or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby, and each term or provision of this Easement shall be valid and shall be enforced to the fullest extent permitted by law.

8. **INDEMNIFICATION OF THE PARTIES.** The parties shall indemnify and hold each other harmless from and against any and all claims, liens, demands, losses, liabilities, costs (including attorney’s fees), or expenses of any kind arising from the parties, their members, tenants, agents, employees, and invitees use of the Easement Lands in connection with the parties’ exercise of their rights under this Easement.

(Signatures to follow)
IN WITNESS WHEREOF, the Grantor and Grantee have set their hands and seals as of the day and year first above written.

Signed, Sealed and Delivered in Our Presence:

Grantor:
RCC NEW SMYRNA BEACH SHOPPING CENTER, LLC, a Delaware limited liability company
By: HRE Fund GP III, LLC, a Delaware limited liability company, its Manager

Witnesses:

(Sign on this line)

(Sign on this line)

(Print name legibly on this line)

(Print name legibly on this line)

COMMONWEALTH OF VIRGINIA
COUNTY OF HENRICO

The foregoing instrument was acknowledged before me this 8th day of September, 2020, by Ashby R. Hackney, as Managing Member of HRE Fund GP III, LLC, Manager of RCC New Smyrna Beach Shopping Center, LLC, to me personally known or who has provided the following identification, personally known, who did take an oath.

Notary Public, State of
My Commission Expires: November 30, 2021
Signed, Sealed and Delivered in Our Presence:

Grantee: UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FL

Witnesses:

(Sign on this line)

ALINA DAWSON
(Print name legibly on this line)

(Sign on this line)

JING FENG Ho
(Print name legibly on this line)

By: Julie Couillard

Its: Director of Engineering

STATE OF FLORIDA
COUNTY OF VOLUSIA

The foregoing instrument was acknowledged before me this 9th day of Sept, 2020, by Julie Couillard, P.E., as Director of Engineering of UTILITIES COMMISSION, CITY OF NSB, to me personally known or who has provided the following identification, ____________________________, who did take an oath.

Melissa Cox
Notary Public, State of
My Commission Expires: 01/01/2023

MELISSA COX
MY COMMISSION # GQ142464
EXPIRES: June 06, 2023
EXHIBIT A
(GRANTOR’S PROPERTY)

All that certain lot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the City of New Smyrna Beach, County of Volusia, State of Florida.

All Blocks 1 and 2; that part of Block 5, and Lots 1 to 9 inclusive, Block 4, lying East of U.S. No. 1 Highway (South Dixie Freeway), EDSONRIDGE SUBDIVISION UNIT NO. 2, according to the plat, thereof as recorded in Map Book 19, Page 96, of the Public Records of Volusia County, Florida, and that part of Orange Street abandoned lying East of U.S. No. 1 Highway and lying between Blocks 1 and 2, and Blocks 4 and 5, said EDSONRIDGE SUBDIVISION, that part of Seventh Street abandoned lying East of U.S. No. 1 Highway, lying between Blocks 1 and 4, between Blocks 2 and 5, and that part in the intersection of Orange Street and Seventh Street, said EDSONRIDGE SUBDIVISION and that part of Cypress Street lying East of U.S. No. 1 Highway and South of Sixth Street, EDSONRIDGE SUBDIVISION, also described as:

Begin at the Northeast corner of Lot 1, Block 1, EDSONRIDGE SUBDIVISION NO. 2, according to the plat thereof as recorded in Map Book 19, Page 96, of the Public Records of Volusia County, Florida: thence South 21° 10' 41" East along the East line of Blocks 1 and 4, 1376.10 feet; thence South 18° 53' 41" East 51.6 feet to the Southerly most corner of Lot 9, Block 4 of said EDSONRIDGE SUBDIVISION Unit No. 2; thence South 71° 23' 19" West along the southerly line of said Lot 9, Block 4 a portion of which also being along the Easterly Right of Way line of U.S. Highway No. 1, a distance of 68.74 feet to a point on a circular curve concaved Northeasterly, having a radius of 1860.08 feet and to which point a radial line bears South 35° 07' 29" West; thence Northwesterly along the Easterly Right of Way line of U.S. Highway No. 1 and along the arc of said curve through a central angle of 9° 08' 10" an arc distance of 296.60 feet to a point lying on the Easterly line of Lot 5, Block 5 of said EDSONRIDGE SUBDIVISION UNIT NO. 2, and to which point a radial line bears South 44° 15' 39" West; thence North 21° 10' 41" West along said Easterly Right of Way line and the Easterly line of said Lot 5 a distance of 66.60 feet; thence South 71° 23' 19" West along said Easterly Right of Way line and the Northerly line of said Lot 5 a distance of 29.45 feet to a point on a circular curve concaved Northwesterly having a radius of 1860.08 feet, and to which point a radial line bears South 46° 32' 28" West; thence Northwesterly along said Easterly Right of Way line and along the arc of said Curve through a central angle of 16° 15' 32", an arc distance of 527.34 feet to a point which a radial line bears South 62° 48' 00" West; thence North 20° 37' 21" West along said Easterly Right of Way line a distance of 595.46 feet to the South Right of Way line of Sixth Street; thence along said South Right of Way line North 70° 01' 19" East 367.3 feet to the Point of Beginning, otherwise described as that part of EDSONRIDGE SUBDIVISION NO. 2, [according to the plat recorded in Map Book 19, Page 96], of the Public Records of Volusia County, Florida, including Seventh Street, Orange Street and Cypress Street (said Streets having been vacated), EXCEPT property conveyed to City of New Smyrna Beach described as follows:

Commencing at the Northeast corner of Lot 1, Block 1, EDSONRIDGE SUBDIVISION, UNIT NO. 2, according to the plat recorded in Map Book 19, Page 96, of the Public Records of Volusia County, Florida, thence South 21° 10' 41" East along the Easterly property line of Lots 1 to 9, inclusive, Block 1, of said EDSONRIDGE SUBDIVISION a distance of 579.00 feet; thence South 70° 01' 19" West along the Southerly lot line of Lot 9, a distance of 38.90 feet to the Point of Beginning; thence South 21° 10' 41" East along existing chain link fence a distance of 2.28 feet to face of building; thence South 68° 49' 19" West along face of building a distance of 8.00 feet; thence North 21° 10' 41" West along chain link fence a distance of 17.00 feet; thence north 68° 49' 19" East along chain link fence a distance of 8.00 feet; thence South 21° 10' 41" East along chain link fence a distance of 14.72 feet to Point of Beginning, being site of a lift station.
EXHIBIT B
(EASEMENT LANDS)
SURVEYOR'S NOTES

1. NOTICE: THERE MAY BE ADDITIONAL RESTRICTIONS AND/OR OTHER MATTERS THAT ARE NOT SHOWN ON THIS PLAT OF SURVEY/SKETCH OF DESCRIPTION THAT MAY BE FOUND IN THE PUBLIC RECORDS OF THIS COUNTY. THIS SURVEY/SKETCH OF DESCRIPTION PREPARED WITHOUT BENEFIT OF AN ABSTRACT.

2. DIMENSIONS ARE SHOWN IN FEET AND DECIMALS THEREOF.

3. BEARING STRUCTURE ASSUMED WITH THE EAST LINE OF LOT 1 BEING S 21°10'41" E.

4. "NOT VALID WITHOUT THE SIGNATURE AND THE ORIGINAL RAISED SEAL OR VALID ELECTRONIC SIGNATURE OF A FLORIDA LICENSED SURVEYOR AND MAPPER."

DESCRIPTION:

A PORTION OF LOTS 9 AND 10, BLOCK 1, EDSONRIDGE SUBDIVISION NO 2, AS RECORDED IN MAP BOOK 19, PAGE 96 OF THE PUBLIC RECORDS, VOLUSIA COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTHWEST CORNER OF LOT 1, BLOCK 1, EDSONRIDGE SUBDIVISION NO 2, AS RECORDED IN MAP BOOK 19, PAGE 96 OF THE PUBLIC RECORDS, VOLUSIA COUNTY, FLORIDA, THEN RUN S21°10'41"E ALONG THE EAST LINE OF SAID BLOCK 1, A DISTANCE OF 561.47 FEET TO A POINT ON THE EAST LINE OF SAID LOT 9 AND THE POINT OF BEGINNING, THEN CONTINUE ALONG SAID EAST LINE S21°10'41"E 10.59 FEET, THEN DEPART SAID EAST LINE S48°38'53"W 14.60 FEET, THEN S21°21'03"E 1.25 FEET, THEN S88°38'53"W 11.11 FEET, THEN N21°21'03"W 13.41 FEET, THEN N88°38'53"E 11.15 FEET, THEN S21°21'03"E 2.11 FEET, THEN N62°51'27"E 10.35 FEET, THEN N49°36'04"E 16.92 FEET TO THE SAID EAST LINE OF LOT 9 AND THE POINT OF BEGINNING CONTAINING 0.010 ACRES MORE OR LESS.

REFERENCE: A PORTION OF LOTS 9 AND 10, BLOCK 1, EDSONRIDGE SUBDIVISION NO 2

PLAT PREPARED FOR THE FOLLOWING: (ONLY THE LAST DATE IS CERTIFIED ON SEALED COPY)

THIS PLAT OF SURVEY IS CERTIFIED TO AND PREPARED FOR THE SOLE AND EXCLUSIVE BENEFIT OF THE ENTITIES AND/OR INDIVIDUALS LISTED BELOW, ON THE MOST CURRENT DATE, AND SHALL NOT BE RELIED UPON BY ANY OTHER ENTITY OR INDIVIDUAL WHOMSOEVER.

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<tr>
<th>TYPE OF SURVEY</th>
<th>CERTIFIED TO</th>
<th>SURVEY DATE</th>
<th>JOB NUMBER</th>
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<tr>
<td>SKETCH OF</td>
<td>UTILITIES COMMISSION CITY OF NEW SMYRNA BEACH, FLORIDA</td>
<td>AUGUST 25, 2020</td>
<td>20-0945</td>
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<tr>
<td>DESCRIPTION</td>
<td>SUNSHINE FITNESS MANAGEMENT</td>
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NOT CERTIFIED TO ANY ENTITIES AND/OR INDIVIDUALS OTHER THAN THOSE LISTED ABOVE.

SHEET 2 OF 2

VALID WITH SIGNATURE & EMBOSSED SEAL ONLY

FOR: SUNSHINE FITNESS MANAGEMENT

| TYPE OF SURVEY | DATE | JOB NO.
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<td>BOUNDARY SURVEY</td>
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<td>RECERTIFICATION</td>
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<td>PROPOSED HOUSE LOCATION</td>
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I HEREBY CERTIFY THAT THIS PLAT MEETS THE STANDARDS OF PRACTICE SET FORTH BY THE FLORIDA BOARD OF PROFESSIONAL SURVEYORS AND MAPPERS IN CHAPTER 56-1705, FLORIDA ADMINISTRATIVE CODE, PURSUANT TO SECTION 472.007, FLORIDA STATUTES.

Joseph
E. Zapert

Original signatory
Date 3/20/2020

J.E. Zapert, P.L.S. No. 4046
JEFF BARNES, P.S.M. No. 5579
C.O. VAN KLEECK JR., P.S.M. No. 6149
MICHAEL S. MURPHY, P.S.M. No. 8208
POINT OF COMMENCEMENT
NORTHEAST CORNER LOT 1

LOT 8
EDSONRIDGE SUBDIVISION NO 2
MAP BOOK 19, PAGE 96

BLOCK 1
LOT 9

LOT 10

FOR: SUNSHINE FITNESS MANAGEMENT
DESCRIPTION: A PORTION OF LOTS 9 AND 10, BLOCK 1, EDSONRIDGE
SUBDIVISION NO 2, AS RECORDED IN MAP BOOK 19, PAGE 96 OF THE
PUBLIC RECORDS, VOLUSIA COUNTY, FLORIDA.
SEE SHEET 2 FOR COMPLETE DESCRIPTION.

JOB #20-0945
SCALE: 1"=20'
FIELD BOOK: 1345 PAGE: 50
Prepared by and return to:
Amber Lynn Coleman, Esq.
424 Luna Bella Lane, Suite 122
New Smyrna Beach, FL 32168

WATER LINE EASEMENT AGREEMENT

THIS WATER LINE EASEMENT (this “Easement Agreement”) is made this 16th of Sept., 2020, by and among ELBERT LAND COMPANY, LLC, a Florida limited liability company (“Grantor”), having a mailing address of 409 Langholm Drive, Winter Park, FL 32789, and the GEOSAM CAPITAL US (VENETIAN BAY) LP, a Delaware limited partnership (“Grantee”), having a mailing address of 424 Luna Bella Lane, Suite 122, New Smyrna Beach, FL 32168, along with the UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, having a mailing address of 200 Canal Street, New Smyrna Beach, FL 32168 (“Utilities Commission”).

WITNESSETH:

WHEREAS, Grantor is the fee simple owner of that certain real estate parcel located in Volusia County, Florida, as more particularly described in Exhibit A attached hereto (the “Grantor’s Property”); and

WHEREAS, Grantee is the fee simple owner and developer of real property adjacent to the Grantor’s Property within Volusia County, Florida (the “Grantee’s Property”); and

WHEREAS, Grantee requires a non-exclusive perpetual easement, the right of ingress and egress over a portion of Grantor’s Property as more particularly described in Exhibit B attached hereto (“Easement Lands”), for the purpose of construction, installation, repair, replacement, operation, inspection, connection to, and disconnection from certain facilities for the provision of water, including water lines, water mains, pipes, service lines, tees, joints and appurtenances, in order to bring water services to Grantee’s Property, which easement shall run with the land for the benefit of Grantee, its respective successors and assigns. Grantee, by acceptance of this Easement Agreement, has agreed to be bound by all terms and conditions set forth herein.

NOW THEREFORE, in consideration of the sum of Ten and No/100 Dollars ($10.00) and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor, Grantee, and the Utilities Commission agree as follows:

1. Incorporation of Recitals. The foregoing recitals are hereby incorporated fully herein by this reference.

2. Grant of Easement. Grantor hereby voluntarily grants and conveys to Grantee, its successors, assigns, and grantees, a perpetual non-exclusive across, over, upon and under the Easement Lands, for the purposes of construction, installation, repair, replacement, operation, inspection, connection to, and disconnection from certain facilities for the provision of water, including water lines, water mains, pipes, service lines, tees, joints and appurtenances (collectively, the “Water Line Facilities”) for use in connection therewith, together with the right of ingress and egress to and from the Water Line Facilities over and along the Easement Lands (together, the “Water Line Easement”). Said Water Line Easement shall be of the nature and character and to the extent hereinafter set forth.

3. Purpose of Water Line Easement. The Water Line Easement is granted for the express and sole purpose of allowing Grantee to perpetually access and use Grantor’s Property within the Easement
Lands for the construction, installation, repair, replacement, operation, inspection, connection to, and disconnection from such Water Line Facilities as may be reasonably and customarily necessary for Grantee to provide water service to the Grantee’s Property.

4. **Rights and Obligations of Grantee.** To accomplish the purpose stated above, and at Grantee’s sole expense, the following rights are conveyed to Grantee by this Easement Agreement:

(a) the right for Grantee to inspect, alter, improve, construct, repair, rebuild, replace, relocate, operate, remove, connect to, and disconnect from the Water Line Facilities and related appurtenances within the Water Line Easement;

(b) all other rights and privileges reasonably and customarily necessary or convenient for Grantee’s safe and efficient operation, replacement and/or repair of the Water Line Facilities, including convenient and reasonable access to such facilities; and

(c) for the enjoyment and use of said Water Line Facilities for the purposes described above.

In addition, Grantee agrees to and shall promptly restore, or cause to be restored; the surface and subsurface of the real property described herein to the condition Grantor’s Property was in prior to the performance of any construction, reconstruction, replacement, removal, enlargement, operation, inspection, repair, improvement, relocation or any other use or work contemplated by this Easement Agreement. Any such restoration shall be in a workman like manner acceptable to the Grantor. Grantee shall use its best efforts in its use of the Easement Lands to not interfere with use by Grantor, its tenants, guests and invitees of adjacent property owned by Grantor.

5. **Grantor’s Use of Easement.** Subject to and conditioned upon the provisions of Paragraph 3 of this Easement Agreement, Grantor hereby reserves for itself the right to use the Easement Lands; provided, however, that Grantor’s use may not (i) violate any provision of this Easement Agreement, or (ii) unreasonably interfere with any of Grantee’s Water Line Easement, rights or interest under this Easement Agreement. Notwithstanding anything to the contrary contained herein, Grantor shall not have the right to relocate the Water Line Easement on Grantor’s Property.

6. **Termination Easement Agreement; New Grant of Easement.** Upon Grantee’s completion and acceptance of the construction of the portion of the Water Line Facilities upon the Easement Lands by the Utilities Commission, said Water Line Facilities will be transferred to the Utilities Commission. Upon the request of Grantee or the Utilities Commission, Grantor shall grant and convey to the Utilities Commission, by separate instrument in a form acceptable to the Utilities Commission, a perpetual non-exclusive easement, the right of ingress and egress and right-of-way over the Easement Lands for the purposes of installing, constructing, operating, operation and inspection, relocating, replacing, maintaining and repairing, from time to time, cables, conduits, transformers, pipes and all necessary utility facilities and fixtures, including the Water Line Facilities (the “Utility Easement”). Upon execution of the Utility Easement, Grantee shall execute a separate instrument which shall terminate this Easement Agreement (the “Termination Agreement”). Thereafter, both the Utility Easement and Termination Agreement shall be recorded simultaneously.

7. **Easement Runs with the Land.** The Water Line Easement shall remain a charge against the Grantor’s Property. Therefore, the Water Line Easement shall run with the land and be automatically assigned by any deed or other conveyance conveying the Easement Lands, or a portion thereof, relating to these easements, even though the conveyance makes no reference to these easements as such.

8. **Recordation.** Grantee shall record this instrument in a timely fashion in the Official Records of Volusia County, Florida and may re-record it at any time as may be required to preserve its rights in this Easement Agreement.
9. **Indemnification of the Parties.** The parties shall indemnify and hold each other harmless from and against any and all claims, liens, demands, losses, liabilities, costs (including attorney's fees), or expenses of any kind arising from the parties, their members, tenants, agents, employees, and invitees use of the Easement Lands in connection with the parties' exercise of their rights under this Easement Agreement.

10. **Injunctive Relief.** The parties agree that, in the event of default, there may not be an adequate remedy at law, and therefore, it is agreed the parties shall be entitled to seek injunctive relief, including a mandatory injunction.

11. **Binding Effect; Modification.** This Easement Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. This Easement Agreement and the terms and provisions hereof shall be deemed covenants running with the land for all purposes and may be amended or modified only by an instrument in recordable form, executed by all of the parties hereto. Without limiting the foregoing, **Grantor** acknowledges that **Grantee's** rights under this Easement Agreement are assignable; that **Grantee** may enter into agreements to sell or otherwise may transfer Grantee's Property, either to affiliates of **Grantee** or to third parties, and that **Grantor** hereby consent to **Grantee's** assignment of all of its right, title and interest and its delegation of all of its obligations created under this Easement Agreement upon any such the sale or transfer and, upon any such assignment, **Grantee** shall be forever released and discharged from any and all claims, demands and damages which **Grantor** may have, make or suffer as a result of anything done or occurring after the date of such assignment. The term "Grantor" or "Grantee" shall also mean any successors, assigns, employees or contractors of Grantor or Grantee, respectively.

12. ** Entire Agreement.** This Easement Agreement constitutes the full and entire agreement between the parties hereto and supersedes any oral or written prior communications between the parties related to the subject matter contained in this Easement Agreement. The laws of Florida shall govern this Easement Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK. SIGNATURE PAGE FOLLOWS.]
IN WITNESS WHEREOF, Grantor, Grantee, and the Utilities Commission have set their hands and seals as of the day and year first above written.

Signed, Sealed and Delivered in Our Presence:

Witnesses:

(Sign on this line)

John Valanasis

(Print name legibly on this line)

(Sign on this line)

John Ankel

(Print name legibly on this line)

STATE OF FLORIDA
COUNTY OF VOLUSIA

The foregoing instrument was acknowledged before me this 7 day of August, 2020, by Robert Andrew Ald as Major of Elbert Land Company, LLC, a Florida limited liability company, to me personally known or who has provided the following identification, ___________ who did take an oath.

Sarah Curtis
Notary Public, State of Florida
My Commission Expires: 07/11/2023

Witnesses:

(Sign on this line)

Nicole Rawson

(Print name legibly on this line)

(Haley Kiernan)

(Print name legibly on this line)

Grantor:

ELBERT LAND COMPANY, LLC, a Florida limited liability company

(Sign on this line)

By: Robert Andrew Ald

Its: Major

Grantee:

GEOSAM CAPITAL US (VENETIAN BAY) LP, a Delaware limited partnership

By: Geosam Capital US GP LLC, a Delaware limited liability company, its General Partner

(Sign on this line)

By: David Shahinian

Its: Manager
STATE OF FLORIDA  
COUNTY OF VOLUSIA  

The foregoing instrument was acknowledged before me this 16th day of September, 2020, by David Shahinian, as Manager of Geosam Capital US GP LLC, a Delaware limited liability company and General Partner of Geosam Capital US (Venetian Bay) LP, a Delaware limited partnership, to me personally known or who has provided the following identification, ___________ who did take an oath.

Tonya Harry
Notary Public, State of Florida  
My Commission Expires: 9-14-2023  

Utilities Commission:  

UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FL  

Julie Couillard
By: Julie Couillard  
Its: DIRECTOR OF ENGINEERING

STATE OF FLORIDA  
COUNTY OF VOLUSIA  

The foregoing instrument was acknowledged before me this 16th day of September, 2020, by Julie Couillard, as Director of Engineering, Utilities Commission, City of New Smyrna Beach, to me personally known or who have provided the following identification, ___________ who did take an oath.

Melissa Cox
Notary Public, State of Florida  
My Commission Expires: 6/14/2023  

Page 5 of 5
EXHIBIT A

That part of the U.S. Lot 4, Section 10, Township 17 South, Range 33 East, lying North of State Road 40A (Pioneer Trail) and lying West of a line described as follows:

Commence at the Southeast corner of said U.S. Lot 4; thence West along the South line of said Section 10, 22 feet to the North R/W line of said State Road 40A; thence along said North R/W line North 61°22' West 225 feet for the POINT OF BEGINNING; thence North 1°47' West to the West line of the Joseph Bonelly Grant except the West 61 feet of said U.S. Lot 4, lying North of State Road 40 A (Pioneer Trail).
LEGAL DESCRIPTION:
A PORTION OF THE SOUTHWEST 1/4 OF SECTION 10 AND A PORTION OF THE SOUTHEAST 1/4 OF SECTION 9, TOWNSHIP 17 SOUTH, RANGE 33 EAST, VOLUSIA COUNTY, FLORIDA BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE SOUTHWEST CORNER OF SECTION 10, TOWNSHIP 17 SOUTH, RANGE 33 EAST, VOLUSIA COUNTY, FLORIDA; RUN THENCE N0°13'14"W ALONG THE WEST LINE OF THE SOUTHWEST 1/4 OF SAID SECTION 10, A DISTANCE OF 744.17 FEET TO A POINT ON THE NORTHERLY PRESCRIPTIVE RIGHT-OF-WAY LINE OF PIONEER TRAIL; THENCE N61°20'51"W ALONG SAID NORTHERLY PRESCRIPTIVE RIGHT-OF-WAY LINE, A DISTANCE OF 16.06 FEET FOR A POINT OF BEGINNING; THENCE CONTINUE N61°20'51"W A DISTANCE OF 15.00 FEET; THENCE N28°45'01"E A DISTANCE OF 34.41 FEET; THENCE S61°14'59"E A DISTANCE OF 1,259.70 FEET; THENCE S28°39'56"W A DISTANCE OF 32.26 FEET TO A POINT ON SAID NORTHERLY PRESCRIPTIVE RIGHT-OF-WAY LINE OF PIONEER TRAIL; THENCE N61°20'51"W ALONG SAID NORTHERLY PRESCRIPTIVE RIGHT-OF-WAY LINE, A DISTANCE OF 15.00 FEET; THENCE N28°39'56"E A DISTANCE OF 17.28 FEET; THENCE N61°14'59"W A DISTANCE OF 592.41 FEET; THENCE S28°45'01"W A DISTANCE OF 18.29 FEET; THENCE N61°20'51"W ALONG SAID NORTHERLY PRESCRIPTIVE RIGHT-OF-WAY LINE, A DISTANCE OF 15.00 FEET; THENCE N28°45'01"E A DISTANCE OF 18.32 FEET; THENCE N61°14'59"W A DISTANCE OF 185.00 FEET, THENCE S28°45'01"W A DISTANCE OF 18.64 FEET TO A POINT ON SAID NORTHERLY PRESCRIPTIVE RIGHT-OF-WAY LINE OF PIONEER TRAIL; THENCE N61°20'51"W ALONG SAID NORTHERLY PRESCRIPTIVE RIGHT-OF-WAY LINE, A DISTANCE OF 15.00 FEET; THENCE S28°45'01"E A DISTANCE OF 18.66 FEET; THENCE N61°14'59"W A DISTANCE OF 185.00 FEET; THENCE S28°45'01"W A DISTANCE OF 18.98 FEET TO A POINT ON SAID NORTHERLY PRESCRIPTIVE RIGHT-OF-WAY LINE OF PIONEER TRAIL; THENCE N61°20'51"W ALONG SAID NORTHERLY PRESCRIPTIVE RIGHT-OF-WAY LINE, A DISTANCE OF 15.00 FEET; THENCE N28°45'01"E A DISTANCE OF 19.00 FEET; THENCE N61°14'59"W A DISTANCE OF 222.31 FEET; THENCE S28°45'01"W A DISTANCE OF 19.38 FEET TO THE POINT OF BEGINNING.

CONTAINS 20,285 SQUARE FEET OR 0.466 ACRES MORE OR LESS.

CERTIFIED TO: GEOSAM CAPITAL US LP

GENERAL NOTES:
1. Bearing structure based on the West line of the Southeast corner of Section 10, Township 17 South, Range 33 East, being: N0°04'09"W

2. This surveyor has not made a search of the public records for any dedications, limitations, restrictions or easements other than shown hereon.

3. This Sketch of Description has been made for the exclusive use of the entities prepared for, heron and does not extend to any unnamed parties.

4. This Sketch of Description is not a Survey.

5. This Sketch is "Not Valid" without the signature and the original raised seal of this Florida licensed Surveyor and Mapper, unless provided with electronic signature with the ability to validate. (See: www.altamaxsurveying.com for instructions on signature validation). The seal appearing on this document was authorized by signing Professional Surveyor and Mapper on the Date of the electronic signature.

LEGAL DESCRIPTION:

¢ = CENTERLINE
CBW = CONCRETE BLOCK WALL
CLF = CHAIN LINK FENCE
CM = CONCRETE MONUMENT
CONC = CONCRETE
COVD = COVERED
CM = CONCRETE PLANEWAY
A = CENTRAL ANGLE
(F) DESCENDED
DR = DEED BOOK
DE = DRAINAGE EASEMENT
DS = DRAIN
EP = EDGE OF PAVEMENT
RM = EASEMENT
FH = FIRE HYDRANT
FE = FINISHED FLOOR ELEVATION
FND = FOUNDATION
INST = INSTRUMENT NUMBER
IP = IRON PIPE
IR = IRON ROD
L = ARC LENGTH
(M) = MEASURED
MS = METAL SHED
N = NAIL AND DIX
ORB = OFFICIAL RECORDS BOOK
OW = ORPHAN WIRE
(P) = PLAT
PB = PLAT BOOK
PG = PAGE
POB = POINT OF BEGINNING
POC = POINT OF COMPLETION
R/W = RIGHT OF WAY
R = RADUS
TR = TELEPHONE RISER
TP = TYPICAL
UE = UTILITY EASEMENT
UP = UTILITY POLE
A = NUMBER

Altamax Surveying
910 Belle Avenue, Suite 1140
Casselberry, FL 32708
Phone: 407-677-0200
Licensed Business No. 7833
www.altamaxsurveying.com

James D. Bray PSM 6507
Engineering is requesting approval of the Developer's Infrastructure, Capacity and Inspection Agreement for Coral Villas (formerly known as North Causeway Townhomes). This Developer’s Agreement will supersede the previous North Causeway Townhomes Agreement that originally was approved by the Commission on February 25, 2019 (agenda item 3-d.). Since no inspection fees were paid within the 180 days of Commissioner’s authorization, the Agreement is now null and void per section 3.3 of the Developer’s Agreement.

This Agreement, this project now named Coral Villas, consists of fourteen (14) residential townhome units on 1.15 acres located on the North Causeway. The project will consist of a new 6” water main, reconstruction of the 8” gravity sewer main, and electrical improvements to serve this development.

Engineering Department staff has reviewed the Agreement and recommends approval as submitted.

FUNDING SOURCE(S) N/A

RECOMMENDED ACTION:
A motion to approve the Developer's Agreement for Coral Villas (fka North Causeway Townhomes) by Coral Ville, LLC, and authorize the General Manager/CEO or his designee to execute the documents associated with this matter when contingencies are met.
DEVELOPER'S
INFRASTRUCTURE, CAPACITY AND INSPECTION
AGREEMENT

CORAL VILLAS (AKA NORTH CAUSEWAY TOWNHOMES)

This Developer’s Infrastructure, Capacity and Inspection Agreement, ("AGREEMENT") is made this ______ day of ____________, 2020, by and between the UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA, ("COMMISSION"), and CORAL VILLE, LLC, CORPORATION, LICENSED IN THE STATE OF FLORIDA, authorized to do business in the State of Florida, ("DEVELOPER").

RECITALS

WHEREAS, DEVELOPER owns certain property ("PROPERTY") located in Volusia County, Florida, within COMMISSION’S service area(s) and is described in EXHIBIT “A”;

WHEREAS, DEVELOPER, requests utility service with connections for electric, potable water, irrigation water, wastewater, and/or reclaimed water, or any combination thereof;

WHEREAS, COMMISSION is willing to provide electric, potable water, irrigation water, wastewater, and/or reclaimed water service to DEVELOPER in accordance with and subject to the terms and conditions of this AGREEMENT and all applicable rules, regulations, specifications, laws, and requirements. Any changes, additions or deletions made to the language in this AGREEMENT are shown in the attached EXHIBIT "B";

WHEREAS, COMMISSION has other charges and fees for development, as detailed in COMMISSION’s Rates Charges and Fees Summary, which are not detailed in AGREEMENT, which DEVELOPER may also need to pay;

WHEREAS, the utility infrastructure (involving electric, water, wastewater, and reclaimed water supply facilities herein referred to as utility infrastructure) of COMMISSION to support growth as planned is impacted by the aggregate of all surrounding development;

WHEREAS, to apportion the costs for the utility infrastructure needs to support a given area, COMMISSION desires to fairly apportion costs to DEVELOPER for the future or existing infrastructure to meet needs to serve multiple developments of differing size, use, and scope;

WHEREAS, in recognition of the benefits of conceptual long-range planning for the build out of an area pursuant to the comprehensive plan, and detailed planning for specific areas, consistent with the comprehensive plan; to further the intent of Florida Statutes s. 163.3177(11) which supports innovative and flexible planning and development strategies, and the purposes of Chapter 163, Florida Statutes, and to avoid the disproportionate distribution of costs upon existing customers for necessary services for new customers;

WHEREAS, COMMISSION will not review, consider, or sign any permit applications until DEVELOPER has remitted payment, in full, of infrastructure and inspection fees;
WHEREAS, DEVELOPER has developed plans and specifications relative to the COMMISSION's facilities to serve DEVELOPER's PROJECT as described in EXHIBIT “C” and located in EXHIBIT “D” and surrounding areas;

WHEREAS, DEVELOPER shall submit with this AGREEMENT, all documents as detailed in the AGREEMENT and other documents requested by COMMISSION, as deemed practical, for review and approval by COMMISSION;

WHEREAS, DEVELOPER represents that it expects to develop PROPERTY in accordance with County of Volusia or City of New Smyrna Beach’s Land Development Regulations and other policies in (1) phase, COMMISSION agrees to provide service for (1) phase; and,

WHEREAS, electric, potable water, irrigation water, wastewater, and reclaimed water service for PROPERTY shall be provided in the manner described below and subject to the terms and conditions described herein.

NOW, THEREFORE, in consideration and incorporation of the RECITALS hereof, for and in consideration of the mutual understanding and agreement herein contained and assumed, and other good and valuable considerations received by each party from the other, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby AGREE as follows:

SECTION 1
DEFINITIONS

The parties agree that in construing this AGREEMENT, the following words, phrases, and terms shall have the following meanings unless the context requires otherwise:

1.1 CORAL VILLAS (AKA NORTH CAUSEWAY TOWNHOMES) (“PROJECT”) is the trade name or commercial name of the improvements described herein, which are to be constructed on the PROPERTY. Project Summary and Location Map are located in EXHIBITS “C” and “D”. EXHIBITS “C” and “D” shall be provided by DEVELOPER.

1.2 “Adjustments to the Infrastructure and Capacity Fee Payments” means if DEVELOPER alters the Plan and Specifications to DEVELOPER’s Facilities and is re-permitted for such alterations, and the number of services, meters, or any other points of connections to the COMMISSION’s system is affected, the amount paid hereby shall be adjusted upward or downward accordingly.

1.3 “Assignment” means DEVELOPER may assign all of the right, title and interest in and to and under this AGREEMENT, subject, however, to the express condition precedent that the written consent is first obtained from COMMISSION. Assignee agrees to perform all of the duties and obligations of DEVELOPER under AGREEMENT. If DEVELOPER has provided a Guarantee of Payment for the monies subject to this AGREEMENT in any form, (i.e. Irrevocable Letter of Credit), said Guarantee of Payment shall remain in effect until the obligations hereto have been paid in full or Assignee institutes a subsequent Guarantee of Payment to the satisfaction of the COMMISSION.

1.4 "Business Day and Working Day" - These terms are used interchangeably and shall mean weekdays Monday through Friday, 8:00 a.m. to 5:00 p.m., inclusive, excluding legal holidays.
1.5 "Capacity Fees" means fees based on capital costs spent to provide potable water, irrigation water, wastewater, and reclaimed water, and the impact that each individual structure(s) has on said systems.

1.6 "DEVELOPER's Facilities" means those collection, distribution, and transmission facilities the DEVELOPER will construct to provide electric, potable water, irrigation water, wastewater, and reclaimed service.

1.7 "PROPERTY" means that real property described in EXHIBIT "A" hereof.

1.8 "Disclosure of Beneficial Interest Pursuant to Florida §286.23 Form" - Pursuant to Florida §286.23 (1), any person or entity holding real property in the form of a partnership, limited partnership, corporation, trust or any form of representative capacity whatsoever for others, shall, before entering into any contract whereby such real property held in representative capacity is sold, leased or taken by eminent domain, or otherwise conveyed to the state or any local governmental unit, make a public disclosure in writing, under oath, and subject to the penalties described for perjury, stating the name and address of any and every person having a beneficial interest in the real property, however small or minimal. The written disclosure shall be made to the local government unit, in this case, General Manager/CEO, Utilities Commission, City of New Smyrna Beach, Florida, P.O. Box 100, New Smyrna Beach, Florida 32170-0100. Said disclosure will be made an integral part of this AGREEMENT and will be referred to as EXHIBIT "E".

1.9 "Final Acceptance" means DEVELOPER has complied with all the requirements per this AGREEMENT and with all the requirements included in the Electric Rules and Standards, Potable Water Rules, Design and Construction Specifications, Wastewater Rules, Design and Construction Specifications, and Reclaimed Water Rules, Design and Construction Specifications, current editions.

1.10 "Infrastructure Fees" means fees paid by DEVELOPER to COMMISSION for such infrastructure improvements necessary to support the planned growth for the future or existing infrastructure to meet needs to serve multiple developments of differing size, use, and scope. COMMISSION shall use all or a portion of such escrowed monies at any time for said utility infrastructure improvements as deemed necessary by said COMMISSION. Infrastructure Fees shall be due and payable on or before the execution of this AGREEMENT and prior to signing off on any permit applications.

1.11 "Inspection Fee" means an Inspection Fee will be charged to a DEVELOPER for potable water, wastewater, and reclaimed water for inspection services rendered by COMMISSION for the development referenced herein. Inspection Fees shall be due and payable on or before the execution of this AGREEMENT and prior to signing off on any permit application.

1.12 "Plans and Specifications" means those documents and drawings prepared and submitted by DEVELOPER's engineer and/or their consultant in compliance with COMMISSION's requirements for the construction of DEVELOPER's Facilities.

1.13 "Rate Resolutions" means all resolutions or tariffs either currently in effect or to be adopted in the future by the COMMISSION, which establish or fix rates, fees, charges, and deposits for the water, wastewater, and reclaimed water system of the COMMISSION.
SECTION 2
TIME FOR COMPLETION

2.1 DEVELOPER and COMMISSION agree that all terms and conditions of this AGREEMENT shall be performed within four (4) years of the date of execution by all parties after such time, AGREEMENT shall become Null and Void.

SECTION 3
PAYMENTS

3.1 INFRASTRUCTURE PAYMENTS - DEVELOPER shall pay the amount as set forth below to pay for such infrastructure improvements necessary to support the planned growth. COMMISSION shall use all or a portion of such escrowed monies at any time for said utility infrastructure improvements as deemed necessary by COMMISSION.

3.2 ADJUSTMENTS TO INFRASTRUCTURE PAYMENTS - If DEVELOPER alters the Plans and Specifications to DEVELOPER’s Facilities and it is re-permitted for such alterations, the amount paid hereby shall be adjusted upward or downward accordingly.

3.3 TIME FOR PAYMENT - Payment of Inspection and Infrastructure Fees shall be made within 180 days from the COMMISSIONER’S authorization for the CEO/GM to execute this AGREEMENT, or any permit applications, whichever shall first occur, after which this AGREEMENT shall be null and void. Upon payment, COMMISSION will issue paid receipts, review and execute permit applications for utility extensions by DEVELOPER for electric, potable water, irrigation water, wastewater and reclaimed water. Payment of Capacity Fees shall be made in full in advance of building permit application, at which time COMMISSION will issue a receipt for Capacity Fee payment for DEVELOPER’s use. No relevant permit will be issued without payment in full.

SECTION 4
DESIGN AND CONSTRUCTION OF DEVELOPER’S FACILITIES

4.1 DESIGN OF DEVELOPER’S POTABLE WATER, IRRIGATION WATER, WASTEWATER, AND RECLAIMED WATER FACILITIES - As a condition precedent to this right to receive potable water service capacity, irrigation water service capacity, wastewater service capacity, and reclaimed water service capacity from COMMISSION, DEVELOPER shall, at its expense, cause its own Florida Registered Professional Engineer to design, produce and submit to COMMISSION for its review, approval or rejection, prior to construction, graphic plans and written specifications for the construction of DEVELOPER’s Facilities to serve CORAL VILLAS (AKA NORTH CAUSEWAY TOWNHOMES).

4.2 DESIGN OF THE DEVELOPER’S ELECTRIC SYSTEM - As a condition for AGREEMENT approval by COMMISSION, DEVELOPER shall at its expense, cause its own Florida Registered Professional Electrical Engineer or a licensed electrician to submit the Electric Information Load Sheet and the PROJECT’s Electric Riser or Line Diagram. As a condition precedent to the right to receive electric service capacity, and upon receipt of payment of the Inspection Fees and Infrastructure Fees, COMMISSION will design the Electric Conduit System. DEVELOPER shall, at its expense, cause its own contractor to purchase and install conduits and appurtenances in accordance with COMMISSION issued drawings.
4.3 APPROVAL OF PLANS AND SPECIFICATIONS FOR DEVELOPER'S FACILITIES - COMMISSION shall review, approve or reject, any such plans, specifications, electric load sheets, and electric line diagram submitted pursuant to subsection 4.1 and 4.2 hereof within forty-five (45) days after receipt of said documents. At DEVELOPER's expense, DEVELOPER's Engineers shall make corrections or modifications to any portion of the plans and specifications which are unacceptable to COMMISSION, and shall resubmit the corrected or modified plans and specifications to COMMISSION for further review until COMMISSION approves the plans and specifications. COMMISSION shall have, in each case, thirty (30) additional days within which to approve or reject any such revisions to said plans and specifications.

4.4 PERMITTING - DEVELOPER shall, at its expense, obtain all necessary federal, state and local permits or approvals required for the construction of DEVELOPER's Facilities to be constructed pursuant to this AGREEMENT. DEVELOPER shall send written copies of all permit applications filed with federal, state or local governmental entities to COMMISSION and shall also provide COMMISSION with copies of all written permits, approvals, requests for additional information, or denials received by DEVELOPER in connection with such permit applications.

4.5 CONSTRUCTION OF DEVELOPER'S FACILITIES - After COMMISSION's approval of the plans and specifications for any phase or portion of DEVELOPER's Facilities, DEVELOPER shall, at its expense, construct and install that phase or portion of DEVELOPER's Facilities as the same are depicted in COMMISSION's approved plans and specifications therefore. DEVELOPER warrants that DEVELOPER's Facilities to be constructed by it pursuant to this AGREEMENT shall be constructed in accordance with the approved plans and specifications, and also in accordance with all applicable state, federal and local laws regulations, rules and ordinances.

4.6 INSPECTION AND APPROVAL OF CONSTRUCTION –
   a. COMMISSION shall have the continuing right to enter upon PROPERTY, right-of-ways, and easement areas within which DEVELOPER's Facilities are constructed to inspect the construction of any such facilities at any time without prior notice. COMMISSION shall have the right to disapprove all or any portion of DEVELOPER's Facilities which are not constructed in accordance with the approved plans and specifications thereof and shall give notice within three (3) working days of any construction deficiencies discovered during the course of any such inspection. Within ten (10) days after the date COMMISSION inspects any such facilities, COMMISSION shall give written notice to DEVELOPER of the existence of construction deficiencies.
   b. The written notice of construction deficiencies shall specify the nature of the particular construction deficiencies. All corrective action shall be done by DEVELOPER at its expense. Upon correction of such deficiencies, DEVELOPER shall notify COMMISSION of the correction(s) and COMMISSION shall thereafter re-inspect the construction within five (5) business days from the receipt of said notice. COMMISSION reserves the right to inspect DEVELOPER during corrective action.
   c. Prior to application for a City or County building permit for any structures within the PROJECT, DEVELOPER shall give written notice to COMMISSION of an anticipated completion of construction of those DEVELOPER's Facilities necessary to enable COMMISSION to provide electric, water, wastewater, and reclaimed water service to said structures. Said notice shall request a specific date for COMMISSION's acceptance inspection (also to be the date when the pressure test, bacteriological test and any other tests shall be performed), and shall not be less than thirty (30) days from the date of said notice, provided said date shall not fall on a Saturday, Sunday, or legal holiday. COMMISSION shall inspect the construction of, and witness the tests for, any such DEVELOPER's
Facilities for which it has received said written notice. Within thirty (30) days after COMMISSION receives notification of all such test results, COMMISSION shall prepare and send written notice to DEVELOPER of acceptance or the rejection of said facilities.

d. Upon correction of any construction deficiencies discovered during the inspection referred to in subsection 4.5 (c) hereof, DEVELOPER shall notify COMMISSION of the correction(s) and the date when new tests and another inspection shall be performed, which date shall be no less than five (5) business days from the date of receipt of said notice. Upon passage of all necessary tests, COMMISSION shall approve DEVELOPER’s compliance with all other applicable regulations and subsection 4.8 hereof, assume ownership, control and responsibility for the operation and maintenance of the same pursuant to SECTION 4 hereof.

e. The time limits for COMMISSION inspections, reviews, approvals and rejections of design and construction, set forth herein, shall apply to inspections, reviews, approvals, and rejections of DEVELOPER’s Facilities only, and shall not bind COMMISSION with respect to any other inspections, reviews, approvals and rejections concerning PROPERTY.

f. If DEVELOPER desires to carry on work at night or outside the Business Day, DEVELOPER shall submit a request to COMMISSION. DEVELOPER shall provide three (3) Business Days’ notice to enable satisfactory arrangements to be made for inspecting the work in at night or outside the Business Day. When granted permission, DEVELOPER shall reimburse COMMISSION for overtime incurred by its inspection personnel.

4.7 CONVEYANCE OR DEDICATION OF FACILITIES AND EASEMENTS –

a. No later than ten (10) days after request by COMMISSION (but prior to COMMISSION's final acceptance of any phase of DEVELOPER's Facilities), DEVELOPER shall provide COMMISSION an opinion from DEVELOPER’s counsel to COMMISSION, upon which COMMISSION will rely, to the effect that the lands to be encumbered by all easements to be conveyed or dedicated by DEVELOPER to COMMISSION pursuant to this AGREEMENT with respect to that phase or portion of DEVELOPER’s facilities to be accepted by COMMISSION for ownership, operation and maintenance are, in fact, owned by DEVELOPER, free and clear of all liens (including mechanics’ liens) and encumbrances. In the event that liens and encumbrances exist, they shall be listed in the opinion, other than those acceptable and approved, in writing, by COMMISSION. Such opinion of counsel, when rendered, may reflect that the lands involved are encumbered by a development mortgage or mortgages, but any such mortgage or mortgages must be subordinated to or released from the lands upon which easements are to be granted to COMMISSION pursuant to this AGREEMENT at the time such DEVELOPER's Facilities and easements are granted to COMMISSION.

b. Prior to final acceptance of DEVELOPER's Facilities for ownership, operation and maintenance by COMMISSION, DEVELOPER shall:

1) convey, grant or dedicate to COMMISSION, free and clear of all liens and encumbrances, such easements as are necessary for COMMISSION to own, operate, maintain, repair, expand and replace DEVELOPER's Facilities accepted by COMMISSION, including all DEVELOPER’s Facilities constructed thereon, and,

2) transfer and convey to the extent that the same are transferable all governmental approvals and permits that will enable COMMISSION to operate the applicable phase or portion of those DEVELOPER's Facilities and provide electric service capacity, water service capacity, wastewater service capacity, and reclaimed water service capacity (as appropriate) to DEVELOPER's PROPERTY, and notify all governmental agencies of such transfer and conveyance as may be required by law. COMMISSION shall review and approve or reject within
twenty-one (21) days after receipt thereof, all documents submitted by DEVELOPER pursuant to this subsection 4.7(b).

4.8 MAINTENANCE BOND –

a. DEVELOPER shall submit an itemized construction costs for the Utilities extended by DEVELOPER, suitable to COMMISSION prior to final acceptance or approval of such facilities. COMMISSION will retain the right to accept or reject the construction costs. This itemized construction costs submitted shall be used to determine the amount of the bond or letter of credit for purposes of this subsection 4.8.

b. Prior to the final acceptance by COMMISSION of said phase or portion of said facilities, DEVELOPER shall obtain a maintenance bond for the period of one (1) year from an agreed upon date for acceptance in a form acceptable to COMMISSION. The Maintenance Bond will be made payable to COMMISSION, in an amount equal to twenty-five percent (25%) of the construction cost of said phase or portion of said facilities in order to guarantee the correction of any defects in workmanship or materials of said facilities.

c. In lieu of providing maintenance bonds as set forth in this subsection 4.8.b, DEVELOPER may, at its option, provide irrevocable letters of credit, drawn on a bank located and doing business in Volusia County, Florida, made payable to COMMISSION in an amount equal to twenty-five percent (25%) of the construction cost of said phase or portion of said facilities and in a form acceptable to COMMISSION.

4.9 EFFECT OF REVIEWS, INSPECTIONS, APPROVALS AND ACCEPTANCES - Any reviews, inspections, approvals, and acceptances or the absence thereof by COMMISSION of the plans and specifications and construction shall not constitute a waiver of any claims arising from (1) faulty or defective design, (2) faulty or defective construction, (3) unsettled liens and encumbrances, and (4) tort claims.

4.10 EXPANSION AND INTERCONNECTION BY THE COMMISSION - COMMISSION may expand any of DEVELOPER's Facilities which it accepts pursuant to this AGREEMENT, or interconnect said facilities with other portions of COMMISSION's electric, potable water, irrigation water, wastewater, or reclaimed water systems (as appropriate) at any time at COMMISSION’s expense. COMMISSION may allow other connections to the systems as COMMISSION deems appropriate for service to adjacent properties.

4.11 SAVE HARMLESS CLAUSE - DEVELOPER covenants and agrees to indemnify and save harmless COMMISSION and to defend it from all costs, expenses, damages, attorney's fees, injury or loss, to which COMMISSION may be subjected by any person, firm, corporation or organization by reason of any wrongdoing, misconduct, want or need to care of skill, negligence or default or breach of contract, guaranty, or warranty, by DEVELOPER, his employees, his agent or assigns.

SECTION 5

ACCEPTANCE FOR OPERATION AND MAINTENANCE OF DEVELOPER'S FACILITIES

5.1 Subject to DEVELOPER's compliance with the current editions of each utilities Rules and Specifications (Standards) and the provisions hereof, COMMISSION or its successors shall accept ownership and assume responsibility for the operation and maintenance of those DEVELOPER's
Facilities for which COMMISSION has accepted, up to, including, but not further than, the location of each individual point of service connection.
   1) For electric, the point of connection will be the transformer or pedestal.
   2) For potable, irrigation, and reclaimed water, the point of connection is the meter.
   3) For wastewater, the point of connection is the cleanout placed at the right-of-way lines or easement lines.

5.2 COMMISSION shall not be responsible for the operation and maintenance of any DEVELOPER's Facilities located outside of right-of-ways or easements granted to COMMISSION pursuant to the AGREEMENT.

5.3 Upon acceptance of DEVELOPER's Facilities by COMMISSION as contemplated in this AGREEMENT, all customers of those facilities shall be deemed customers of the COMMISSION. COMMISSION shall collect all electric, potable water, irrigation water, wastewater, and reclaimed water rates, fees, charges and deposits for those facilities, without exception, in accordance with COMMISSION's Rate Resolutions, prior to setting meters requested by the customers.

5.4 In addition to other applicable requirements, all property owners and customers must provide, at their expense, necessary electric conduits from point of service to the customer desired meter location and potable water, irrigation, wastewater, and reclaimed water plumbing service lines as a condition precedent to receiving electric, potable water, wastewater, and reclaimed water services from COMMISSION.

5.5 Applicable capacity fees for potable water, irrigation, wastewater and reclaimed water services will be paid to COMMISSION prior to issuance of building permits.

5.6 DEVELOPER's contractual rights, duties, and responsibilities herein shall not be assignable unless agreed to, in writing, by COMMISSION.
SECTION 6
FEE PAYMENTS

6.1 INSPECTION FEES - Payment of Inspection Fees shall be made within 180 days from the COMMISSIONER’S authorization for the CEO/GM to execute this AGREEMENT, or any permit applications, whichever shall first occur.

Potable Water 14 x $50.00 per ERU = $700.00
Wastewater 14 x $50.00 per ERU = $700.00
Irrigation Water 5* x $50.00 per ERU = $250.00

*Based on one (1) 1.5” irrigation water meter.

Total Inspection Fees $1,650.00

6.2 INFRASTRUCTURE FEES - Payment of Infrastructure Fees shall be made within 180 days from the COMMISSIONER’S authorization for the CEO/GM to execute this AGREEMENT, or any permit applications, whichever shall first occur.

The Infrastructure Fees are calculated by the COMMISSION’s Engineering Department. The results of the calculations are based on DEVELOPER supplied drawings, calculations, and other miscellaneous forms.

ELECTRIC* $1,958.74
POTABLE WATER* $9,108.12
WASTEWATER* $8,558.06
IRRIGATION WATER* $6,505.80
RECLAIMED WATER $N/A

*Based on fourteen (14) 200-amp single phase electric services, fourteen (14) 5/8” water meters, and one (1) 1.5” Irrigation meter.

Total Infrastructure Fees $26,130.72

Page 9 of 17
6.3 **CAPACITY FEES** - Payment of Capacity Fees shall be made in full in advance of building permit application, at which time **COMMISSION** will issue a receipt for Capacity Fee payment for **DEVELOPER'S** use. No relevant permit will be issued without payment in full.

The **Capacity Fees** are calculated by the **COMMISSION's** Engineering Department. The results of the calculations are based on **DEVELOPER** supplied drawings, calculations, and other miscellaneous forms.

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<th>Meter Size # 1</th>
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Sub-Total: $50,220.00

(If applicable)

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Sub-Total: (2,549.00)

**Total Capacity Fees:** $47,671.00

Insert calculations for alternative (e.g., a 3” or 4”, etc.) larger size water, irrigation, reclaimed and wastewater services below.

*Water and wastewater capacity credit for 454 N. Causeway existing service.

6.4 **FEE PAYMENT SUMMARY**

- **TOTAL CAPACITY FEES**
  - $47,671.00
- **TOTAL INSPECTION FEES**
  - $1,650.00
- **TOTAL INFRASTRUCTURE FEES**
  - $26,130.72

- **TOTAL APPLICATION FEES**
  - $75,451.72

6.5. **TEMPORARY DEFERRAL OF INFRASTRUCTURE FEES** – The **DEVELOPER** has requested that, given the unique nature and scope of **DEVELOPER's** overall project, a temporary deferral be granted in the payment under subsection 6.2 of the infrastructure fees. Notwithstanding subsection 6.2, and in consideration of the unique nature and scope of the **DEVELOPER's** overall project, the **COMMISSION** hereby grants a temporary deferral until prior to the signing of the final letter of acceptance by the Director of Engineering or until the completion of the ongoing study of its overall rate structure, whichever first occurs.
SECTION 7
REBATES, CREDITS, AND/OR COMMISSION PARTICIPATION

7.1 REBATES:
   TOTAL REBATES $ N/A

7.2 CREDITS:
   TOTAL CREDITS $ N/A

7.3 COMMISSION PARTICIPATION:

   TOTAL COMMISSION PARTICIPATION $_____
   (Commission participation is an estimated amount pursuant to this agreement and shall be non-binding on the Commission until final Commission participation has been determined after final acceptance and as-built plans have been submitted to the Commission.)

TOTAL DEVELOPER CONTRIBUTIONS TO UTILITY INFRASTRUCTURE

   = $_____

(signatures to follow)
IN WITNESS WHEREOF, the parties hereto have caused these presents to be signed in their respective name, by their proper officers and their seals to be affixed this 4th day of SEPTEMBER, 2020.

Signed, Sealed and Delivered in the presence of:

FOR THE DEVELOPER:  
Company Name: Coral Ville, LLC  

\[Signature\]  
Name: ROBERT CAMPORESE  
Title: VICE PRESIDENT

(CORPORATE SEAL)

STATE OF FLORIDA  
COUNTY OF VOLUSIA

Before me, personally appeared Robert Camporese, Vice President of Coral Ville, LLC, well known and known to be the person acknowledged to and before me that he executed said instrument for the purposes therein expressed.

WITNESS my hand and official seal in the County and State last aforesaid, this 4th day of SEPTEMBER, 2020.

\[Signature\]  
Notary Public, State of Florida

My commission expires: 6-27-2024

UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA

GENERAL MANAGER/CEO

Approved as to form and correctness:

UTILITIES COMMISSION ATTORNEY
EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

PROVIDED BY DEVELOPER

Lot 4 and the West 25 feet of Lot 3, Buena Vista Shores, according to the map of plat thereof, as recorded in Map Book 23, Page 21, of the Public Records of Volusia County, Florida.

AND

Lots 5, 6, 7 and 8, Buena Vista Shores Subdivision, per map in Map Book 23, Page 21, Public Records of Volusia County, Florida.
EXHIBIT "B"

CHANGES, ADDITION OR DELETIONS

ADDITIONS:

The utility improvements needed for development of the Property include a proposed water main under the sidewalk in the right-of-way for the North Causeway. Beginning with the date of acceptance by the Commission of said water main and lasting for a duration of four (4) years therefrom, Developer agrees to repair the sidewalk, or be responsible for the cost of said repair, should any portion of the sidewalk be damaged in the course of water main maintenance or repair, provided said sidewalk is not caused by the negligent acts or omissions of the Commission or its agents or licensees.
Construction of fourteen (14) residential townhome units on 1.15 acres. Utility improvements consist of the installation of a 6” water main under the sidewalk within the North Causeway Right-of-Way, fourteen (14) 1” water services, fourteen (14) 4” sewer services and the reconstruction of 482 linear feet of existing 8” gravity sewer main with three (3) manholes located within the Causeway Drive Right-of-Way.
EXHIBIT "D"

LOCATION MAP

PROVIDED BY DEVELOPER
STATE OF FLORIDA  
COUNTY OF VOLUSIA  

Before me, the undersigned authority, personally appeared ROBERT CAMPORESE, who, being by me first duly sworn, on oath deposes and says:

1. That my name is ROBERT CAMPORESE and my address is 406 N. Orange Street, New Smyrna Beach, FL 32128.

2. That the names and addresses of every person having a beneficial interest in the real property described in Exhibit "A" attached hereto, are as follows:

   Dan Silvestri  
   1215 Gessner Drive  
   Houston, TX  77055  

3. That this disclosure is made pursuant to §286.23, Florida Statutes, and under oath and subject to the penalties prescribed for perjury.

   /s/ ROBERT CAMPORESE, VICE PRESIDENT  
   Company: CORALVILLE, LLC.

Sworn to and subscribed before me  
this 4th day of September, 2020.  

   /s/ Gloria Thompson  
   Notary Public, State of Florida  

My commission expires: 6-27-24
SUBJECT: Ratification of Annual Purchase of Polymer, FY2021 Renewal - Piggyback Agreement - City of Palm Coast and Polydyne, Inc.

SUMMARY:

The attached piggyback agreement is to support the annual purchase of Polymer by the U.C. during FY 2021, which is used to thicken bio-solids for disposal at the Water Reclamation Facility (WRF). A custom blend of SE-613 Clarifloc Polymer is used at the WRF to facilitate efficient dewatering of the biosolids.

Staff has projected a cost of $65,000.00 (at $1.12 per lb.) for FY2021.

The piggyback agreement was reviewed and executed by the U.C.’s General Counsel and General Manager-CEO; staff recommended approval.

This specific annual chemical purchase was separated from last month's approval of the other annual chemical purchases due to the finalization of the piggyback agreement and associated renewal documentation by the City of Palm Coast. Additional note, this is the final year of renewal for the City of Palm Coast ITB-UT-18-64.

O&M Account No. 360-030-741-6220

RECOMMENDED ACTION:

A motion to ratify the attached piggyback agreement with Polydyne, Inc., based on ITB-UT-18-64 for the City of Palm Coast, for an estimated usage of 58,000 lbs. during FY2021, at $1.12 per lb., for a total award of $65,000.00.

GM/CEO Joseph Bunch

NOTE: ALL AGENDA ITEMS MUST BE IN THE GENERAL MANAGER’S OFFICE BY NOON MONDAY TO FRIDAY TWO WEEKS PRIOR TO THE REGULAR MONDAY COMMISSION MEETING.
This Master Price Agreement for Liquid Polymer (the “Agreement”) is made and entered into this 11th day of September, 2020, by and between the Utilities Commission, City of New Smyrna Beach, hereinafter referred to as the "Commission" and POLYDYNE INC., with offices located at One Chemical Plant Road, Riceboro, Georgia 31323, hereinafter referred to as "Supplier."

RECATALS

A. The Commission desires to purchase liquid polymer for its Water Resource Facility located within the City of New Smyrna Beach, Florida.

B. The City of Palm Coast, Florida, procured by way of a competitive process in compliance with Florida Statutes (119.0701(1)(a) and/or 119.011(2), Fla. Stat.) and selected the Supplier as most qualified pursuant to ITB-UT-18-64 and entered into a contract with Supplier for liquid polymer, a copy of which contract is attached hereto as Exhibit “A” and incorporated herein by this reference (the “City of Palm Coast Master Price Agreement”).

C. The Commission has evaluated the Supplier’s qualifications and desires to utilize the results obtained by the City of Palm Coast pursuant to ITB-UT-18-64 as the basis upon which to award to the Supplier a Purchase Order for liquid polymer for the Commission based upon the terms and conditions of the Palm Coast Agreement.

D. Due to the anticipated nature and value of the goods to be provided by the Supplier, the Commission is not required under Chapter 287, Florida Statutes, to perform an independent request for qualifications and evaluation for the goods to be provided by the Supplier and to do so would unnecessarily incur additional costs.

NOW, THEREFORE, in consideration of the mutual covenants and agreement hereinafter contained, it is agreed by and between the parties hereto as follows:

1. TERMS AND CONDITIONS. The Supplier shall provide the liquid polymer under the terms and pricing set out in the City of Palm Coast Master Price Agreement attached hereto as Exhibit “A” (as amended from time to time) attached hereto and incorporated herein by this reference, subject to the following conforming changes:

A. “City” and “City of Palm Coast” everywhere used in the City of Palm Coast Master Price Agreement shall be deemed for purposes of this Agreement to refer to the Utilities Commission, City of New Smyrna Beach, a political subdivision whose address is 200 Canal Street, New Smyrna Beach, Florida 32168. References to City and its governing body, officials, agents, employees, divisions and departments shall be deemed a reference to the Utilities Commission governing body, officials, agents, employees, divisions and departments.
Commission will determine which division, contact person or process will apply in the event there is not a direct correlation between the Commission division, contact person or processes and those of the City of Palm Coast referenced in the Master Price Agreement.

B. Any reference to an applicable Palm Coast code shall be deemed a reference for purposes of this Agreement to the equivalent code, ordinance, resolution or policy (if any) of the Commission or Volusia County (as applicable).

C. Supplier agrees that all prior representations and warranties made to the City of Palm Coast in the Master Price Agreement are still true and accurate and hereby deemed to be restated as of the date of this Agreement and may be relied upon by the Commission in entering into this Agreement.

2. CONTACT INFORMATION. All notices required under this Agreement to be sent to the Commission by Supplier shall be sent via certified U.S. mail to:

   Tom West
   Utilities Commission, City of New Smyrna Beach
   P.O. Box 100
   New Smyrna Beach, FL 32170

3. PROJECT MANAGER FOR COMMISSION. The following shall be designated as the Commission’s project manager for purposes of interfacing with the Supplier under this Agreement:

   Tom West
   Utilities Commission, City of New Smyrna Beach
   P. O. Box 100
   New Smyrna Beach, FL 32170
   Telephone: 386 424 3180

4. PAYMENT.

   The Commission agrees to pay the Supplier for the goods based upon the payment terms set forth in the City of Palm Coast Master Price Agreement.
5. **CONTRACT DOCUMENTS**

This Agreement shall be deemed to consist of all of the following (in order of precedence for purposes of any conflicts among the terms contained in each):

A. this cover Contract;

B. the City of Palm Coast Master Price Agreement attached hereto as Exhibit “A” as conformed above; and,

**IN WITNESS WHEREOF,** the parties have hereto caused the execution of these documents, the year and date first above written.

**POLYDYNE INC.**

By: ________________

Title: ________________

By: Boyd Stanley

Title: Vice-President

**UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, a political subdivision**

ATTEST:

Efren Chavez, Director of Finance / CFO

9/14/2020

Efren Chavez, Director of Finance / CFO

General Manager / CEO

9/14/2020

**APPROVED AS TO FORM AND LEGALITY:**

Thomas A. Cloud, Commission Counsel

9/14/2020
ATTACHMENT "A"

CITY OF PALM COAST MASTER PRICE AGREEMENT
CONTRACT EXECUTIVE OVERVIEW
(Amendment/Renewal)

Vendor Name: Polydyne Inc

Project Name: Master Price Agreement for Liquid Polymer

Bid/Reference #: ITB-UT-18-64

Contract Type: Master Price Agreement

Amendment/Renewal: FINAL Renewal

Original Contract Date: 10/23/2018 New End Date: 10/22/2021

Resolution #: 2018-150 City Council Approval Date: 10/10/2018

City’s Project Manager: Danny Ashburn

Brief Description/Purpose:
Final annual renewal of contract for the purchase of Liquid Polymer to be used at Wastewater Treatment Plant 1 and Wastewater Treatment Plant 2 locations. The polymer shall be a high charge cationic type liquid emulsion polymer used for dewatering sludge.

Approvals:

Responsible Dept. Director: [Signature]

City Finance: [Signature]

City Attorney: [Signature]

City Manager: [Signature]

Vendor Contact Name and Email: polybiddpt@snfhc.com Boyd Stanley
Polydyne Inc.
Attn: Boyd Stanley, VP
One Chemical Plant Road
Riceboro, GA 31323

RE: Letter Authorizing Contract Renewal

Master Price Agreement
Contract Name
October 23, 2019
Effective date
ITB-UT-18-64 Liquid Polymer
Project name and #

Dear Mr. Stanley,

The above referenced contract is currently set to expire October 22, 2020. At this time, the City of Palm Coast seeks to renew the above referenced contract under the same original terms and conditions for one (1) additional year until October 22, 2021. This is the final renewal. If agreed, please indicate approval by electronically signing below.

Please feel free to contact me at the email address below, if you have any questions.

Regards,

Rose Conceicao
Rose Conceicao
Contracts Coordinator
rconceicao@palmcoastgov.com

This contract renewal is hereby acknowledged and agreed to:

CITY OF PALM COAST
By: __________________________
Print: Matthew Morton
Title: City Manager
Date: Sep 3, 2020 | 7:03 AM PDT

POLYDYNE INC.
By: __________________________
Print Name: Boyd Stanley
Title: Vice-President
Date: Aug 31, 2020 | 11:04 AM PDT
CONTRACT EXECUTIVE OVERVIEW
(Amendment/Renewal)

Vendor Name: Polydyne Inc

Project Name: Master Price Agreement for Liquid Polymer

Bid/Reference #: ITB-UT-18-64

Contract Type: Master Price Agreement

Amendment/Renewal: First Renewal

Original Contract Date: 10/23/2018  New End Date: 10/23/2020

Resolution #: 2018-150  City Council Approval Date: 10/10/2018

City's Project Manager: Danny Ashburn

Brief Description/Purpose:
Renewal of contract for the purchase of Liquid Polymer to be used at Wastewater Treatment Plant 1 and Wastewater Treatment Plant 2 locations. The polymer shall be a high charge cationic type liquid emulsion polymer used for dewatering sludge.

Approvals:

Responsible Dept. Director: ____________________________  Date: ________________

City Finance: ____________________________  Date: ________________

City Attorney: ____________________________  Date: ________________

Asst. City Mgr.: ____________________________  Date: ________________

City Manager: ____________________________  Date: ________________

Vendor Contact Name and Email: polybiddpt@snfhc.com Boyd Stanley
Polydyne Inc.
Attn: Boyd Stanley, VP
One Chemical Plant Road
Riceboro, GA 31323

RE: Letter Authorizing Contract Renewal

Master Price Agreement
Contract Name
October 23, 2019
Effective date
ITB-UT-18-64 Liquid Polymer
Project name and #

Dear Mr. Stanley,

The above referenced contract is currently set to expire October 22, 2019. At this time, the City of Palm Coast seeks to renew the above referenced contract under the same original terms and conditions for one (1) additional year until October 22, 2020. This is the first renewal. If agreed, please indicate approval by electronically signing below.

Please feel free to contact me at the email address below, if you have any questions.

Regards,

Rose Conceicao
Rose Conceicao
Contracts Coordinator
rconceicao@palmcoastgov.com

This contract renewal is hereby acknowledged and agreed to:

CITY OF PALM COAST
By: Matthew Morton
Print: Matthew Morton
Title: City Manager
Date: Aug 7, 2019 | 8:44 AM EDT

SUPPLIER
By: Boyd Stanley
Print Name: Boyd Stanley
Title: Vice President
Date: Aug 5, 2019 | 10:43 AM EDT
CONTRACT EXECUTIVE OVERVIEW  
(Non-Construction)

Vendor Name: Polydyne Inc.
Project Name: Master Price Agreement for Liquid Polymer
Bid/Reference #: ITB-UT-18-64
Contract Type: Master Price Agreement

Contract Value: $n/a
Resolution #: 2018-150  
City Council Approval Date: 10/16/2018

Standard Contract Template (Y/N): Yes
Length of Contract: One Year
Renewable (Y/N): Yes
City's Project Manager: Danny Ashburn, Patrick Henderson & Marco Pubill

Approvals:

Responsible Dept. Director: Richard Adams
City Finance: Helena Alves
City Attorney: William E. Reischmanny, Jr.
Interim City Manager: Boyd Stanley

Brief Description/Purpose:
Contract for the purchase of Liquid Polymer to be used at Wastewater Treatment Plant 1 and Wastewater Treatment Plant 2 locations. The polymer shall be a high charge cationic type liquid emulsion polymer used for dewatering sludge.

Vendor Name and Email Address: polybiddpt@snfhc.com  Boyd Stanley
Dear Vendor,

Please review and sign the attached agreement via DocuSign.

In addition, please attach proof of insurance which is compliant with the insurance requirements set forth in Exhibit B of the agreement.

Thank you.

Regards,
Rose Conceicao
Risk Management & Contract Coordinator
MASTER PRICE AGREEMENT

THIS MASTER PRICE AGREEMENT ("Agreement") made and entered into this 23rd day of October, 2018 ("Effective Date"), between POLYDYNE INC., whose primary place of business is One Chemical Plant Road, Riceboro, Georgia 31323 ("SUPPLIER") and the CITY OF PALM COAST, a municipal corporation of the State of Florida, holding tax exempt status, whose address is 160 Lake Avenue, Palm Coast, Florida 32164, ("CITY").

WITNESSETH:

WHEREAS, CITY desires to procure certain goods ("Goods") as set forth in Exhibit “A” Product/Price List, attached hereto and made a part hereof, from time to time from a competent and qualified supplier and has requested and received bids/quotes for the goods and related services;

WHEREAS, SUPPLIER is competent and qualified to provide the Goods to CITY and desires to provide said Goods to CITY at the firm prices established herein and in accordance with the terms and conditions stated herein;

NOW, THEREFORE, in consideration of the mutual understandings and covenants set forth herein, CITY and SUPPLIER agree as follows:

1. PURCHASE ORDERS. During the term of this Agreement and solely upon receipt of authorizations for delivery in the form of written purchase orders ("Purchase Orders"), executed by CITY and signed by SUPPLIER, SUPPLIER shall furnish and deliver those Goods as specified in the Purchase Order and in accordance with the quantities and date or dates for delivery set forth in the Purchase Order. Each Purchase Order shall describe the Goods and related services, if any, as well as the quantities, date or dates for delivery and the amount and method of payment. The Purchase Orders will be issued under and shall incorporate the terms of this Agreement regardless of their text. This Agreement standing alone does not authorize purchase or delivery of Goods or require CITY to place any orders. No claim for Goods furnished by the SUPPLIER not specifically provided for herein or not ordered by CITY shall be honored by CITY. CITY makes no promise that CITY will issue a Purchase Order to SUPPLIER, or as to the number of Purchase Orders during the life of this Agreement. CITY reserves the right to contract with other parties for the goods contemplated by this Agreement when it is determined by CITY to be in the best interest of CITY to do so. Whenever the terms of this Agreement conflict with any Purchase Order issued pursuant to it, this Agreement shall prevail.

2. DELIVERY- Time is of the essence in the performance of this Agreement. Supplier will arrange each delivery by a carrier chosen by Supplier, and delivery shall be completed in accordance with the date or dates set forth in the Purchase Order. Terms of shipping are F.O.B. Destination Freight Collect and Allowed. Title and risk of loss shall pass when items have been received, inspected and accepted by City. All associated shipping, insurance and other related costs shall be borne by SUPPLIER. Extra charges for any purpose will not be allowed unless explicitly indicated on the Purchase Order. CITY reserves the right to conduct any inspection or investigation to verify compliance of the Goods and related services with the requirements of this Agreement and to reject any delivery not in compliance, and if the deficiency is not visible at the time of delivery, to take and/or require appropriate corrective action.

3. COMPENSATION.

A. Pricing. Pricing for the Goods set forth in any Purchase Order issued hereunder shall be in accordance with the rates, fees and discounts set forth in Exhibit A, Product/Price List.

B. Invoicing. Upon satisfactory delivery of the Goods required hereunder and, upon acceptance by the CITY, SUPPLIER may invoice the CITY for the amount of compensation provided for under the terms of this Agreement less any amount already paid by the CITY. SUPPLIER shall invoice CITY the amount due based on the Goods provided under the Purchase Order; but, in no event, shall the invoice amount exceed the amounts actually provided. Each Purchase Order shall be invoiced separately. SUPPLIER shall render to CITY, at the close of each calendar month, an itemized invoice properly dated, describing any Goods provided, the cost of the Goods, the name and address of SUPPLIER, the purchase order number, Agreement number (if applicable) and all other information required by this Agreement. The original invoice shall be emailed to ap@palmcoastgov.com.
C. **Payment Terms.** Payment shall be made after review and approval by CITY under the Prompt Payment Act., Fla. Stat. 218.73. Payments shall be made by CITY to SUPPLIER not more than once monthly.

4. **TERM AND TERMINATION.**

A. **Term.** This Agreement shall take effect on the Effective Date and shall terminate at the end of one year. Following the initial term and at the sole option of CITY, this Agreement may be renewed for two (2) successive periods not to exceed one (1) year each. Expiration of the term of this Agreement shall have no effect upon Purchase Orders issued pursuant to this Agreement and prior to the expiration date. Purchase Orders shall remain in effect until delivery and acceptance of the goods authorized by the Purchase Order as well as during periods of warranty and guarantee.

B. **Termination.**

i. **Termination Without Cause.** CITY may terminate this Agreement or any Purchase Order in whole or in part for convenience upon written notice to SUPPLIER sent at least fourteen (14) calendar days prior to the delivery date specified. Upon receipt of such notice, SUPPLIER shall immediately cease all work and discontinue delivery of all Goods unless the notice directs otherwise. CITY shall have no liability to SUPPLIER beyond payment of any balance owing for Goods purchased and already delivered to and accepted by CITY prior to SUPPLIER’S receipt of the notice of termination.

ii. **Termination For Cause.** City may terminate this Agreement or any Purchase Order in whole or in part at any time for default by written notice to SUPPLIER. Upon receipt of such notice, SUPPLIER shall immediately cease all work and discontinue delivery of all Goods unless the notice directs otherwise. In the event of a breach by SUPPLIER, including failure to make available or to deliver the Goods in the time and manner provided for in this Agreement or a Purchase Order, CITY reserves the right to purchase substitutions and to charge SUPPLIER for any loss incurred. If this Agreement or any Purchase Order is terminated by CITY for SUPPLIER’S default, then SUPPLIER will be liable for all incidental and consequential damages resulting from SUPPLIER’S breach, including all damages provided in the Uniform Commercial Code (UCC). In the event SUPPLIER is adjudged by a court to be in default, SUPPLIER will pay to CITY all costs and expenses incurred by CITY in connection with the suit, including reasonable attorney’s fees.

5. **INDEMNIFICATION AND INSURANCE.**

A. **Indemnification/Sovereign Immunity.**

i. SUPPLIER shall indemnify, hold harmless and defend CITY: (1) from any loss, expense, claim or damage arising from any claim or action based on any acts or omissions of SUPPLIER, its employees, servants, agents or subcontractors in completing the work under this Agreement; (2) with respect to any and all claims, suits, actions, and proceedings of actual or alleged infringements of any letter, Patent, Industrial Design right, Trademark or Trade Name, Trade Secret, Copyright or other protected right in any country resulting from any sale, use or manufacture of any Goods delivered hereunder. CITY reserves its rights to be represented in any such action by its own counsel at its own expense.

ii. The indemnification obligations herein shall not be limited to the amount of insurance coverage required herein. In addition, in claims against any person or entity indemnified under this Section by an employee of SUPPLIER or its agents or subcontractors, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, the indemnification obligation under this Section shall not be limited by a limitation on amount or type of damages, compensation, or benefits payable by or for SUPPLIER or its agents or subcontractors, under Workers Compensation acts, disability benefits acts, or other employee benefit acts.

iii. City expressly retains all rights, benefits and immunities of sovereign immunity and nothing herein shall be deemed to affect the rights, privileges, and immunities of City as set forth in Section 768.28, Florida Statutes.

B. **Insurance.** The SUPPLIER shall at SUPPLIER’S own cost, procure insurance in accordance with Exhibit “B” Insurance Requirements, attached hereto and made a part hereof.

6. **ALTERNATIVE DISPUTE/CONFLICT RESOLUTION.**

A. In the event of a dispute related to any performance or payment obligation arising under this Agreement, the parties agree to exhaust the conflict resolution procedures reasonably imposed by CITY prior to filing suit or otherwise pursuing legal remedies.
B. SUPPLIER agrees that it will file no suit nor otherwise pursue legal remedies based on facts or evidentiary materials that were not presented for consideration in the dispute resolution procedures set forth in subsection (A) of this Section.

C. In the event that the CITY’S dispute resolution procedures are exhausted and a suit is filed or legal remedies are otherwise pursued, the parties shall exercise their best efforts to resolve disputes through voluntary mediation. Mediator selection and the procedures to be employed in voluntary mediation shall be reasonably imposed by CITY. The costs of voluntary mediation shall be shared equally among the parties participating in the mediation.

7. ASSIGNMENT. SUPPLIER shall not assign this Agreement, any rights hereunder, or any monies due or to become due, nor delegate or subcontract any obligations or work, without the prior written consent of CITY.

8. AUDIT OF BOOKS AND RECORDS. SUPPLIER shall maintain all books, documents, papers, accounting records and other evidence pertaining to this Agreement during the term of this Agreement and for five (5) years subsequent to the expiration or termination of this Agreement and/or final payment, whichever is later. CITY or CITY’S authorized representative may at all reasonable times during the term of this Agreement and for five (5) years thereafter and upon reasonable notice, inspect and audit the books, documents, papers, accounting records and other evidence pertaining to this Agreement, and SUPPLIER shall make such materials available at the SUPPLIER'S office upon CITY’S request. In the event any audit or inspection conducted after final payment reveals any overpayment by CITY under the terms of this Agreement, SUPPLIER shall refund such overpayment to CITY within thirty (30) days of notice by CITY.

9. CHOICE OF LAW/JURISDICTION. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Florida. In any action or proceeding required to enforce or interpret the terms of this Agreement, venue shall be of the Seventh Judicial Circuit in and for Flagler County, Florida, or the Middle District of Florida in Orlando, Fl., if in federal court.

10. COMPLIANCE WITH LAWS. SUPPLIER agrees to comply with all Federal, State, and City laws, ordinances, regulations, and codes, including but not limited to nondiscrimination, immigration and ethics laws. Violation of this section is grounds for debarment and termination of this Agreement.

11. ENFORCEABILITY. If any provision of this Agreement shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. The failure of either party to enforce any provision of this Agreement shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Agreement. The waiver of a breach of any term or condition of this Agreement or Purchase Order hereunder shall not be deemed to constitute the waiver of any other breach of the same or any other term or condition hereunder. In addition, neither CITY’S review, approval or acceptance of, nor payment for, any Goods provided hereunder shall be construed to operate as a waiver of any rights under this Agreement or the Purchase Order.

12. ENTIRE AGREEMENT. This Agreement shall constitute the entire understanding of the parties and shall not be changed, amended, altered or modified except in writing and signed by authorized representatives of the parties with the same formality and equal dignity herewith. All prior agreements, whether written or oral between the parties relating to the subject matter hereof are superseded by this Agreement and are of no further force or effect. Accordingly, it is agreed that no deviation from the terms of this Agreement shall be predicated upon any prior representations or agreements, whether oral or written. Any amendments to this Agreement must be in writing signed by both parties. In the event of a conflict between this Agreement and a Purchase Order or any other writing, this Agreement controls over such inconsistent or additional terms.

13. INDEPENDENT CONTRACTOR. The relationship of the parties established by this Agreement and all Purchase Orders is that of independent contractors. It is agreed that nothing herein contained is intended or should be construed as in any manner creating or establishing a relationship of co-partners between the parties, or as making the SUPPLIER, (including its officers, employees, and agents), the agent, representative, or employee of CITY for any purpose, or in any manner, whatsoever. Persons employed by the SUPPLIER in the performance of services and functions pursuant to this Agreement shall have no claim to pension, workers’ compensation, unemployment compensation, civil service or other employee rights or privileges granted to CITY’S officers and employees either by operation of law or by CITY.

14. NOTICES. Whenever either party desires to give notice to the other, it must be given by written notice, sent by registered or certified United States mail, with return receipt requested, addressed to the party for whom it is intended at the place last specified and the place for giving of notice shall remain such until it shall have been changed by written notice in compliance with the provisions of this Section. For the present, the parties designate the following as the respective places for giving of notice:
15. **PUBLIC RECORDS LAW.** The parties specifically acknowledge that this Agreement is subject to the laws of the State of Florida, including without limitation, Chapter 119, Florida Statutes, which generally makes public all records or other writings made or received by the parties. If SUPPLIER is either a “contractor” as defined in Section 119.0701(1)(a), Florida Statutes, or an “agency” as defined in Section 119.011(2), Florida Statutes, SUPPLIER shall:

1. Keep and maintain all public records required by CITY to perform the services herein; and
2. Upon request from CITY’S custodian of public records, provide CITY with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, F.S. or as otherwise provided by law; and
3. Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the Agreement Term and following completion of the Agreement if SUPPLIER does not transfer the records to CITY; and
4. Upon completion of the Agreement, transfer, at no cost, to CITY all public records in possession of the SUPPLIER or keep and maintain public records required by CITY to perform the services herein. If the SUPPLIER transfers all public records to CITY upon completion of the Agreement, the SUPPLIER shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the SUPPLIER keeps and maintains public records upon completion of the Agreement, the SUPPLIER shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to CITY, upon request from CITY’S custodian of public records, in a format compatible with the information technology systems of CITY.

All requests to inspect or copy public records relating to the Agreement shall be made directly to CITY. Notwithstanding any other provison of this Agreement to the contrary, failure to comply with the requirements of this paragraph shall result in the immediate termination of the Agreement, without penalty to CITY. A contractor who fails to provide the public records to CITY within a reasonable time may be subject to penalties pursuant to Section 119.10, Florida Statutes. Further, the SUPPLIER shall fully indemnify and hold harmless CITY, its officers, agents and employees from any liability and/or damages, including attorney’s fees through any appeals, resulting from the SUPPLIER’S failure to comply with these requirements.

**IF THE SUPPLIER HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE SUPPLIER’S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, CONTACT THE CITY’S CUSTODIAN OF PUBLIC RECORDS, ATTN: VIRGINIA SMITH, CITY CLERK, AT 386-986-3713, VSMITH@PALMCOASTGOV.COM, 160 LAKE AVENUE, PALM COAST, FLORIDA 32164.**

16. **SUBCONTRACTORS.** In the event that SUPPLIER, during the course of this Agreement, requires the services of any subcontractors or other professional associates in connection with performance of this Agreement or any Purchase Order, SUPPLIER must first secure CITY’S prior express written approval. If subcontractors or other professional associates are required, SUPPLIER shall remain fully responsible for the performance of subcontractors or other professional associates.

17. **UCC.** In addition to any rights or remedies contained in this Purchase Order, each party shall have rights, duties, and remedies available through the Uniform Commercial Code.

18. **WARRANTY.** SUPPLIER warrants that all Goods supplied are new, of good quality, and free from defects in title, workmanship, material, and in design, and are in full compliance with the specifications. In addition, SUPPLIER warrants that all work or services, if any, shall be performed in a good and competent workmanlike manner. The Goods and services hereunder are covered by the most favorable commercial warranties given any customer for such Goods and/or services, and the rights and remedies provided therein are in addition to and do not limit those available to CITY by any other clause of this Agreement. A copy of this warranty and all applicable manufacturer’s warranties shall be furnished with the delivery of the Goods and, services if any. The equipment manufacturer’s warranty must apply at a minimum, and must be honored by SUPPLIER.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK
IN WITNESS WHEREOF, the parties hereto have made and executed this Agreement on the date below written for execution by the CITY.

CITY OF PALM COAST

By: ________________________________
Print: Beau Falgout
Title: Interim City Manager
Date: Oct 23, 2018 | 8:53 AM EDT

Exhibits:
A: Product/Price List
B: Insurance Requirements

POLYDYNE INC.

By: ________________________________
Print: Boyd Stanley
Title: Vice-President
Date: Oct 22, 2018 | 4:32 PM EDT
Exhibit A
PRODUCT/PRICE LIST

Liquid Polymer in accordance with the general requirements set forth in Invitation to Bid # ITB-UT-18-64 issued August 1, 2018, which is incorporated herein by reference.

- Clarifloc C-6287 - $2576.00 per 2300 pound tote ($1.120 per pound) - delivered
- Clarifloc C-6286 - $2576.00 per 2300 pound tote ($1.120 per pound) - delivered
Exhibit B
INSURANCE REQUIREMENTS

1. GENERAL.

1.1. Prior to performance under this Agreement, SUPPLIER shall furnish CITY with a Certificate of Insurance signed by an authorized representative of the insurer evidencing the insurance required by this Section (Workers’ Compensation/Employer’s Liability, Commercial General Liability, and Business Auto). The CITY, its officials, officers, and employees shall be named additional insured under the Commercial General Liability policy using CG 1185 or its equivalent, as well as additional insured under the business auto policy. The Certificate of Insurance shall provide that the CITY shall be given not less than thirty (30) days written notice prior to the cancellation or restriction of coverage. Except as otherwise specified in the Agreement, the insurance shall become effective prior to the commencement of work by the SUPPLIER and shall be maintained in force until the Agreement completion date. The insurance provided by SUPPLIER shall apply on a primary basis and any other insurance or self-insurance maintained by the CITY or the CITY’S officials, officers, or employees shall be in excess of and not contributing with the insurance provided by or on behalf of the SUPPLIER. The Workers’ Compensation Policy and the Commercial General Liability required by this Agreement shall be provided on an occurrence rather than a claims-made basis.

1.2. SUPPLIER waives all rights against CITY for recovery of damages to the extent covered by Commercial General Liability, Commercial Umbrella Liability, Business Auto Liability or Workers Compensation and Employers Liability insurance maintained per requirements herein.

1.3. Until such time as the insurance is no longer required to be maintained by the SUPPLIER, the SUPPLIER shall provide the CITY with a renewal or replacement Certificate of Insurance not less than thirty (30) days before expiration or replacement of the insurance for which a previous certificate has been provided. In addition to providing the Certificate of Insurance, if required by the CITY, SUPPLIER shall, within thirty (30) days after receipt of the request, provide CITY with a certified copy of each of the policies of insurance providing the coverage required by this Section.

1.4. Neither approval by the CITY nor failure to disapprove the insurance furnished by a subcontractor or another supplier shall relieve the SUPPLIER of the SUPPLIER’S full responsibility for performance of any obligation including SUPPLIER indemnification of CITY under this Agreement.

1.5. It shall also be the responsibility of the SUPPLIER to ensure that all of its subcontractors performing services under this Agreement are in compliance with the insurance requirements of this Agreement as defined above.

1.6. Compliance with the insurance requirements set forth herein shall not relieve SUPPLIER, its employees or agents of liability from any indemnification obligation under this Agreement.

2. INSURANCE COMPANY REQUIREMENTS.

2.1. Companies issuing policies other than Workers’ Compensation, must be authorized to conduct business in the State of Florida and prove same by maintaining Certificates of Authority issued to the companies by the Department of Insurance of the State of Florida. Policies for Workers’ Compensation may be issued by companies authorized as a group self-insurer by Section 440.57, Florida Statutes.

2.2. In addition, such companies other than those authorized by Section 440.57, Florida Statutes, shall have and maintain a Best’s Rating of “A” or better and a Financial Size Category of “VII” or better according to A.M. Best Company.

2.3. If, during the period which an insurance company is providing the insurance coverage required by this Agreement, an insurance company shall: 1) lose its Certificate of Authority, 2) no longer comply with Section 440.57, Florida Statutes, or 3) fail to maintain the requisite Best’s Rating and Financial Size Category, the SUPPLIER shall, as soon as the SUPPLIER has knowledge of any such circumstance, immediately notify the CITY and immediately replace the insurance coverage provided by the insurance company with a different insurance company meeting the requirements of this Agreement. Until such time as the SUPPLIER has replaced the unacceptable insurer with an insurer acceptable to the CITY the SUPPLIER shall be deemed to be in default of this Agreement.

3. COVERAGE.

3.1. Without limiting any of the other obligations or liability of the SUPPLIER, the SUPPLIER shall, at the SUPPLIER’S sole expense, procure, maintain and keep in force amounts and types of insurance conforming to the minimum
requirements set forth in this subsection. The amounts and types of insurance shall conform to the following minimum requirements:

3.1.1. Workers’ Compensation/Employer’s Liability.

A. Workers Compensation Coverage SUPPLIER’S insurance shall cover SUPPLIER for liability which would be covered by the latest edition of the standard Workers’ Compensation Policy, as filed for use in Florida by the National Council on Compensation Insurance, without restrictive endorsements. SUPPLIER will also be responsible for procuring proper proof of coverage from its subcontractors of every tier for liability which is a result of a Workers’ Compensation injury to the subcontractor’s employees. The minimum required limits to be provided by both the SUPPLIER and its subcontractors is outlined in subsection (b) below. In addition to coverage from the Florida Workers’ Compensation Act, where appropriate, coverage is to be included for the Federal Employers’ Liability Act and any other applicable Federal or State law. Subject to the restrictions of coverage found in the standard Workers’ Compensation Policy, there shall be no maximum limit on the amount of coverage for liability imposed by the Florida Workers’ Compensation Act, the United States Longshoremen’s and Harbor Workers’ Compensation Act, or any other coverage customarily insured under Part One of the standard Workers’ Compensation Policy.

B. Employers Liability Coverage

<table>
<thead>
<tr>
<th>Limits</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Aggregate (per project)</td>
<td>$2,000,000.00</td>
</tr>
<tr>
<td>Each Accident</td>
<td>$500,000.00</td>
</tr>
<tr>
<td>Disease-Each Employee</td>
<td>$500,000.00</td>
</tr>
<tr>
<td>Disease-Policy Limit</td>
<td>$500,000.00</td>
</tr>
</tbody>
</table>

3.1.2. Commercial General Liability.

Using the latest edition of the standard Commercial General Liability Coverage Form (ISO Form CG 00 01), as filed for use in the State of Florida by the Insurance Services Office, without the attachment of restrictive endorsements other than the elimination of Coverage C, Medical Payment and the elimination of coverage for Fire Damage Legal Liability:

<table>
<thead>
<tr>
<th>Limits</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Aggregate (per project)</td>
<td>$2,000,000.00 or 2x Per Occurrence (whichever is greater)</td>
</tr>
<tr>
<td>Personal &amp; Advertising Injury Limit</td>
<td>$1,000,000.00</td>
</tr>
<tr>
<td>Each Occurrence Limit</td>
<td>$1,000,000.00</td>
</tr>
</tbody>
</table>

The CGL limits may be satisfied by a combination of primary CGL and Umbrella/Excess coverage. When Umbrella/Excess is provided it shall follow form.

3.1.3. Business Auto Policy.

The SUPPLIER’S insurance shall cover the SUPPLIER for those sources of liability which would be covered by Part IV of the latest edition of the standard Business Auto Policy (ISO Form CA 00 01), as filed for use in the State of Florida by the Insurance Services Office, without the attachment of restrictive endorsements. Coverage shall include owned, non-owned and hired autos.

The minimum limits to be maintained by the SUPPLIER (inclusive of any amounts provided by an Umbrella or Excess policy) shall be per accident combined single limit for bodily injury liability and property damage liability. If the coverage is subject to an aggregate, the SUPPLIER shall maintain separate aggregate limits of coverage applicable to claims arising out of or in connection with the work under this Agreement. The separate aggregate limits to be maintained by the SUPPLIER shall be a minimum of three (3) times the per accident limit required and shall apply separately to each policy year or part thereof.

The minimum amount of coverage under the Business Auto Policy shall be:

<table>
<thead>
<tr>
<th>Limits</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Each Occurrence Bodily Injury and</td>
<td>$1,000,000.00</td>
</tr>
<tr>
<td>Property Damage Liability Combined</td>
<td>$1,000,000.00</td>
</tr>
</tbody>
</table>
**CERTIFICATE OF LIABILITY INSURANCE**

**DATE (MM/DD/YYYY)**
12/29/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

**PRODUCER**
Frenkel & Company
350 Hudson Street – 4th Floor
New York, NY 10014

**INSURED**
Polydyne Inc.
One Chemical Plant Road
PO Box 250
Riceboro GA 31323

**COVERAGES**

<table>
<thead>
<tr>
<th>INSURER</th>
<th>CERTIFICAT</th>
<th>REVISION NUMBER:</th>
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<tbody>
<tr>
<td>INSURER A:</td>
<td>AG SPECIALTY INSURANCE COMPANY</td>
<td>26883</td>
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<tr>
<td>INSURER B:</td>
<td>COMMERCE &amp; INDUSTRY INSURANCE COMPANY</td>
<td>19410</td>
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<tr>
<td>INSURER C:</td>
<td>TRUMBULL INSURANCE COMPANY</td>
<td>27120</td>
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<tr>
<td>INSURER D:</td>
<td></td>
<td></td>
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<tr>
<td>INSURER E:</td>
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<tr>
<td>INSURER F:</td>
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**DESCRIPTION OF OPERATIONS**

If yes, describe (Mandatory in New York, NY 10014)

**POLICY NUMBER:**

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<th>INSURER LTR</th>
<th>TYPE OF INSURANCE</th>
<th>ADDED SUBSCRIBER/ASSIGNED INSURED</th>
<th>SUBSCRIBER WDV</th>
<th>POLICY NUMBER</th>
<th>POLICY EFF (MM/DD/YYYY)</th>
<th>POLICY Exp (MM/DD/YYYY)</th>
<th>LIMITS</th>
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<td>A</td>
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<td>EG14362834</td>
<td>12/31/2017</td>
<td>12/31/2018</td>
<td>EACH OCCURRENCE</td>
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<tr>
<td></td>
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<tr>
<td></td>
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<td>DAMAGE TO RENTED PREMISES (EA occurrence)</td>
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<td>MED EXP (Any one person)</td>
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<tr>
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<td>GENERAL AGGREGATE</td>
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<td>SCHEDULED AUTOS</td>
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<td>COMBINED SINGLE LIMIT</td>
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<td>(EA accident)</td>
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<td>BODILY INJURY (Per accident)</td>
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<td>$</td>
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<td>AGGREGATE</td>
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</tbody>
</table>

**EXCLUSIONS**

EXCLUSIONS. Coverage applies on a primary and non contributory basis as required by contract and subject to terms, conditions and exclusions. Coverage applies on a primary and non contributory basis as required by contract and subject to terms, conditions and exclusions.

**30 DAY CANCELLATION CLAUSE INCLUDED**

**CERTIFICATE HOLDER**
City of Palm Coast
160 Cypress Point Parkway, Suite B-106
Pal Coast, FL 32164

**CANCELLATION**

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISION

Authorized Representative

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City of Palm Coast, Florida  
Agenda Item  

Agenda Date: 10/16/2018

<table>
<thead>
<tr>
<th>Department</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>UTILITY</td>
<td>$95,903.00</td>
</tr>
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<table>
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<tr>
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<th>Account</th>
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<tbody>
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<td>4438</td>
<td>54019083 052030</td>
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<tr>
<td></td>
<td>54019084 052030</td>
</tr>
</tbody>
</table>

| Subject | RESOLUTION 2018-XX  APPROVING A MASTER PRICE AGREEMENT WITH POLYDYNE INC. FOR THE PURCHASE OF LIQUID POLYMER. |

Background:

UPDATE FROM THE OCTOBER 9, 2018 WORKSHOP
This item was heard by City Council at their October 9, 2018 Workshop. There were no changes suggested to this item.

ORIGINAL BACKGROUND FROM THE OCTOBER 9, 2018 WORKSHOP
The City's Utility Department/Wastewater Treatment Division utilizes liquid polymer which is used in the dewatering process in wastewater treatment. The City of Palm Coast bid the annual supply of liquid polymer in ITB-UT-18-64. Polydyne Inc. was the low bid of C-6287 polymer at $1.120 per pound for Wastewater Treatment Plant #1 and C-6286 polymer at $1.120 per pound for Wastewater Treatment Plant #2.

Staff recommends that the City approve a master price agreement with Polydyne Inc. for liquid polymer based on the City of Palm Coast bid ITB-UT-18-64. The notice of intent to award and project bid overview are attached to this agenda item.

This chemical will be purchased on an as needed basis. Funds are appropriated in the Operating Budget of the Utility Enterprise Fund. Annual spending for FY19 is estimated to be $95,903.00.

Recommended Action:
Adopt Resolution 2018-XX approving a Master Price Agreement with Polydyne Inc. for the purchase of liquid polymer.
RESOLUTION 2018---
LIQUID POLYMER
POLYDYNE INC.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM COAST, FLORIDA, APPROVING PRICE AGREEMENT WITH POLYDYNE INC.; AUTHORIZING THE CITY MANAGER, OR DESIGNEE, TO EXECUTE SAID CONTRACT; PROVIDING FOR SEVERABILITY; PROVIDING FOR CONFLICTS; PROVIDING FOR IMPLEMENTING ACTIONS AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Polydyne Inc. has expressed a desire to provide Liquid Polymer, to the City of Palm Coast; and

WHEREAS, the City Council of the City of Palm Coast desires to purchase the above referenced chemical from Polydyne Inc.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PALM COAST, FLORIDA, AS FOLLOWS:

SECTION 1. APPROVAL OF MASTER PRICE AGREEMENT. The City Council of the City of Palm Coast hereby approves the terms and conditions of the master price agreement with Polydyne Inc. for the annual supply of Liquid Polymer, which is attached hereto and incorporated herein by reference as Exhibit “A.”

SECTION 2. AUTHORIZATION TO EXECUTE. The City Manager, or designee, is hereby authorized to execute the necessary documents.

SECTION 3. SEVERABILITY. If any section or portion of a section of this Resolution proves to be invalid, unlawful, or unconstitutional, it shall not be held to invalidate or impair the validity, force, or effect of any other section or part of this Resolution.

SECTION 4. CONFLICTS. All resolutions or parts of resolutions in conflict with any of the provisions of this Resolution are hereby repealed.

SECTION 5. IMPLEMENTING ACTIONS. The City Manager is hereby authorized to take any actions necessary to implement the action taken in this Resolution.
SECTION 6. EFFECTIVE DATE. This Resolution shall take effect immediately upon adoption by the City Council.

DULY PASSED AND ADOPTED by the City Council of the City of Palm Coast, Florida, on this 16th day of October 2018.

CITY OF PALM COAST, FLORIDA

ATTEST:  

MILISSA HOLLAND, MAYOR

VIRGINIA A. SMITH, CITY CLERK

Attachment:  
Exhibit “A” – Master Price Agreement-Polydyne Inc.

Approved as to form and legality

William E. Reischmann, Jr., Esq.  
City Attorney
NOTICE OF INTENT TO AWARD

Project: ITB-UT-18-64 - Master Price Agreement for Liquid Polymer

Date: 9/5/2018

Appeal Deadline: Appeals must be filed by 5:00 PM on 9/7/2018

<table>
<thead>
<tr>
<th>Firm</th>
<th>Bid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Polydyne Inc.</td>
<td>WWTP#1 C-6287</td>
</tr>
<tr>
<td>Riceboro, GA</td>
<td>$1.120 per pound</td>
</tr>
<tr>
<td></td>
<td>WWTP#2 C-6286</td>
</tr>
<tr>
<td></td>
<td>$1.120 per pound</td>
</tr>
</tbody>
</table>

The intent of the City of Palm Coast is to award ITB-UT-18-64 to Polydyne Inc.

*Bid protests arising under City Bidding Documents or Procedures shall be resolved under the City of Palm Coast Central Service Division’s Bid Protest procedures.*

*A proposer may protest matters involving the award of this Bid within three (3) business days from the posting of this recommendation to award. Failure to protest to the City’s Administrative Services and Economic Development Director, Beau Falgout (bfalgout@palmcoastgov.com) shall constitute a waiver of the protest proceedings.*
ITB-UT-18-64 - Master Price Agreement for Liquid Polymer

Project Overview

<table>
<thead>
<tr>
<th>Project Details</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Reference ID</td>
<td>ITB-UT-18-64</td>
</tr>
<tr>
<td>Project Name</td>
<td>Master Price Agreement for Liquid Polymer</td>
</tr>
<tr>
<td>Project Owner</td>
<td>Kelly Downey</td>
</tr>
<tr>
<td>Project Type</td>
<td>ITB</td>
</tr>
<tr>
<td>Department</td>
<td>Procurement</td>
</tr>
<tr>
<td>Budget</td>
<td>$0.00 - $0.00</td>
</tr>
<tr>
<td>Project Description</td>
<td>This Invitation to Bid is issued for the purpose of securing a firm price per tote (delivered) for the purchase of Liquid Polymer to be used at Wastewater Treatment Plant 1 and Wastewater Treatment Plant 2 locations.</td>
</tr>
<tr>
<td>Open Date</td>
<td>Aug 01, 2018 8:00 AM EDT</td>
</tr>
<tr>
<td>Close Date</td>
<td>Aug 30, 2018 2:00 PM EDT</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Awarded Suppliers</th>
<th>Reason</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Polydyne Inc.</td>
<td></td>
<td>2,000.00 pts</td>
</tr>
</tbody>
</table>

Seal status
Conflict of Interest

# Declaration of Conflict of Interest You have been chosen as a Committee member for this Evaluation. Please read the following information on conflict of interest to see if you have any problem or potential problem in serving on this committee. ## Code of Conduct All information related to submissions received from Suppliers or Service Providers must be kept confidential by Committee members. ## Conflict of Interest No member of a Committee shall participate in the evaluation if that Committee member or any member of his or her immediate family: * has direct or indirect financial interest in the award of the contract to any proponent; * is currently employed by, or is a consultant to or under contract to a proponent; * is negotiating or has an arrangement concerning future employment or contracting with any proponent; or, * has an ownership interest in, or is an officer or director of, any proponent. Please sign below acknowledging that you have received and read this information. If you have a conflict or potential conflict, please indicate your conflict on this acknowledgment form with information regarding the conflict. I have read and understood the provisions related to the conflict of interest when serving on the Evaluation Committee. If any such conflict of interest arises during the Committee’s review of this project, I will immediately report it to the Purchasing Director.

<table>
<thead>
<tr>
<th>Name</th>
<th>Date Signed</th>
<th>Has a Conflict of Interest?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kelly Downey</td>
<td>Aug 31, 2018 8:43 AM EDT</td>
<td>No</td>
</tr>
<tr>
<td>Danny Ashburn</td>
<td>Aug 30, 2018 2:22 PM EDT</td>
<td>No</td>
</tr>
<tr>
<td>Patrick Henderspm</td>
<td>Aug 30, 2018 2:07 PM EDT</td>
<td>No</td>
</tr>
<tr>
<td>Gian Pubill</td>
<td>Aug 30, 2018 3:33 PM EDT</td>
<td>No</td>
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# Project Criteria

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<th>Description</th>
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<tbody>
<tr>
<td>Forms 1, 2, 3, 4, &amp; References</td>
<td>Pass/Fail</td>
<td>Forms 1, 2, 3, 4, &amp; References</td>
</tr>
<tr>
<td>Pricing WWTP#1</td>
<td>1000 pts</td>
<td>Price Schedule for WWTP #1</td>
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<tr>
<td>Pricing WWTP#2</td>
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<td>Technical Specifications WWTP#1</td>
<td>Pass/Fail</td>
<td>Technical Specifications WWTP#1</td>
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<tr>
<td>Technical Specifications WWTP#2</td>
<td>Pass/Fail</td>
<td>Technical Specifications WWTP#2</td>
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## Scoring Summary

### Active Submissions

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<td>Forms 1, 2, 3, 4, &amp; References</td>
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<tr>
<td>Technical Specifications WWTP#2</td>
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<td>Pass</td>
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**Generated on Sep 28, 2018 2:43 PM EDT - Jesse Scott**

Page 4 of 4
RESOLUTION 2018-150
LIQUID POLYMER
POLYDYNE INC.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM COAST, FLORIDA, APPROVING PRICE AGREEMENT WITH POLYDYNE INC.; AUTHORIZING THE CITY MANAGER, OR DESIGNEE, TO EXECUTE SAID CONTRACT; PROVIDING FOR SEVERABILITY; PROVIDING FOR CONFLICTS; PROVIDING FOR IMPLEMENTING ACTIONS AND PROVIDING FOR AN EFFECTIVE DATE.

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SECTION 4. CONFLICTS. All resolutions or parts of resolutions in conflict with any of the provisions of this Resolution are hereby repealed.

SECTION 5. IMPLEMENTING ACTIONS. The City Manager is hereby authorized to take any actions necessary to implement the action taken in this Resolution.
SECTION 6. EFFECTIVE DATE. This Resolution shall take effect immediately upon adoption by the City Council.

DULY PASSED AND ADOPTED by the City Council of the City of Palm Coast, Florida, on this 16th day of October 2018.

CITY OF PALM COAST, FLORIDA

ATTEST:

M. Holland, Mayor

V. A. Smith, City Clerk

Attachment:
Exhibit “A” – Master Price Agreement-Polydyne Inc.

Approved as to form and legality

William E. Reischmann, Jr., Esq.
City Attorney
AGENDA ITEM 4.

CONSENT ITEM FOR MEETING OF: September 28, 2020

NEW BUSINESS FROM: General Manager/CEO

OLD BUSINESS SIGNATURE: Joseph Bunch

☑ General Manager's Report EXHIBITS: GM Report for August 2020

SUBJECT: General Manager's Report for August 2020

SUMMARY:

Executive and Departmental monthly reporting regarding systems, operations, projects and staff.

RECOMMENDED ACTION:

Informational detailed monthly reporting - no action required.

GM/CEO Joseph Bunch

NOTE: ALL AGENDA ITEMS MUST BE IN THE GENERAL MANAGER'S OFFICE BY NOON MONDAY TO FRIDAY TWO WEEKS PRIOR TO THE REGULAR MONDAY COMMISSION MEETING.
DATE: September 2, 2020
TO: Utilities Commissioners
FROM: General Manager/CEO
SUBJECT: GENERAL MANAGER’S MONTHLY SUMMARY REPORT FOR AUGUST 2020

EXECUTIVE SUMMARY

Modernization Program – Utility of the Future Capabilities.
The Commission’s Modernization Workshop was held on August 19th, from 1:00 to 5:00 p.m. Next steps will involve GIS integrity, modeling, and other “just do it” items in Engineering. Focus will be on asset and work management and AMI. Business case determinations for electric and water AMI will be needed. Enterprise procedures and processes, along with communications protocols also needed. A consultant will be acquired to assist with this work plan and also for development of associated RSQ’s and RFP’s.

Mutual Aid:
During August, UCNSB crews assisted a sister public utility in Lafayette, Louisiana to assist them with Hurricane Laura restoration. And recently in mid-September, UCNSB crews left and have been assisting in Foley, Alabama to assist with their Hurricane Sally restoration. Both of these out-of-state municipal utilities assisted UCNSB in 2016 with our Hurricane Matthew restoration.

Communications.
August Customer Messaging.
Customer messaging during August focused again on Hurricane Preparedness, and also Back-to-School Supply Drive, Commission Workshop and Meeting, Electric Safety, and Dechlorination Building Dedication for Dave Hoover.

COVID-19 (Coronavirus).
Employee/Customer messaging (status and updates) and associated business continuity planning are continuing (remaining in U.C. Phase II during August).

GM/CEO Processed Legal Services Invoices. (Per discussion at 11-29-18 U.C. Mtg., AI 4.)

<table>
<thead>
<tr>
<th>Legal Invoices</th>
<th>FY2020 O&amp;M Budget – Legal Expenses $275,000*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gray Robinson / T. Cloud</td>
<td>Apprvd. by GM/CEO 9-9-20</td>
</tr>
<tr>
<td>FY2020 P.O. No. 00015894</td>
<td><strong>FY2020 Legal Expenses, Sub-Total as of 9-9-20</strong> $215,833.77</td>
</tr>
</tbody>
</table>

(*FY2020 Budget increased to $275,000. Resolution of several legacy and ongoing lawsuits has increased anticipated legal expenses.)

<table>
<thead>
<tr>
<th>PUBLIC RECORDS RESPONSES</th>
<th>Current Month</th>
<th>FY 2020 YTD /Annualized</th>
<th>FY 2020 Target</th>
<th>FY 2021 Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.5*</td>
<td>1.5*</td>
<td>3 Working Days</td>
<td>2.5 Working Days</td>
</tr>
</tbody>
</table>

*Incs. Required Legal Response/Reviews &/or Production

Joint U.C. City Projects.
Evaluation of joint projects and potential partnering opportunities ongoing. Status of the projects being evaluated are provided in the I.T. Department section monthly and also Engineering.
I.T. DEPARTMENT

COMMUNICATION
1. Computer Lifecycle Management Solution
2. Enterprise Communication Standardization
3. PRI to SIP Migration
4. Pilot Samsung DeX In-Vehicle Solution
5. SharePoint Intranet Site Development – Phase 1
6. IT - OT Convergence Strategy

CENTRAL SERVICES
1. Payroll/HR/Self Service / Business Process – Under Review
2. Enterprise Access Control System

SECURITY/ CYBERSECURITY
1. Organizational Simulated COVID-19 Employee Alert
2. Organizational Interactive Monthly IT Security Awareness Training | Phishing
3. NUARI – Simulated cyber-attack to stress test incident response plans
4. FMPA Joint Action Cybersecurity Assessment
5. Business Continuity/Disaster Recovery Planning / Update
6. Role Based Security Awareness Training Program

FINANCE
1. Paramount Workplace Procurement, Expense Management Software | In Process
2. Finance Business Process Review | In Process

WATER RESOURCES
1. SCADA Backup / Redundancy Project
2. Upgrade PLC’s / VTSCADA Trihedral

SYSTEM OPERATIONS
1. SCADA Upgrade System Ops. – October 2020
2. Switched Ethernet (ASE) Upgrade – Completed August 2020
3. FRCC/FPL Communication Project
4. RTU Expansion and Enclosure Project
5. SCADA Backup / Redundancy Project
6. Airport RTU Upgrade
7. FMPA Network / Cybersecurity
8. SCADA Communication Backup

UCNSB / CITY OF NSB COLLABORATION
(Potential cost savings, efficiency and service improvement)
1. Joint Fiber Optic Infrastructure
2. Geographic Information System (GIS) Sharing
3. Data Center Resources Sharing

OPEN GRANTS
1. American Public Power Association / Florida Municipal Power Agency (DOE Grant) Response Plan | Approved - In Process
2. American Municipal Power / Florida Municipal Power Agency (DOE Grant) Cybersecurity Roadmap | Approved - In Process
I.T. DEPARTMENT (cont.):

OPEN GRANTS (cont.)

4. Norwich University Applied Research Department (DOE / HGrant), Citywide Command and Control Exercise | Approved - In Process

SYSTEM OPERATIONS DEPARTMENT

The electric system's Net Energy for Load ("N.E.L.") for August 2020 was 49,284 MWH. This is 1.7% above the amount projected for the month.

N.E.L. is 0.3% below projections for Fiscal Year 2020 to date.

The August energy came from the sources listed below on the next page.

<table>
<thead>
<tr>
<th>On-Site and Remote Generation</th>
<th>FY2020</th>
<th>FY2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>FMPA - St. Lucie Units</td>
<td>13.0</td>
<td></td>
</tr>
<tr>
<td>Field Street Generation</td>
<td>0.0</td>
<td></td>
</tr>
<tr>
<td>Total:</td>
<td>13.0%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Contract Purchased Power</th>
<th>FY2020</th>
<th>FY2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>FPL NLF Purchase</td>
<td>80.5</td>
<td></td>
</tr>
<tr>
<td>Other Purchases</td>
<td>6.5</td>
<td></td>
</tr>
<tr>
<td>Total:</td>
<td>87.0%</td>
<td></td>
</tr>
</tbody>
</table>

Peak Load (MW) | 99 | 94
Lowest Valley Load (MW) | 34 | 36
Load Management Relief on Peak (MW) | 0 | 0
Average Degree Cooling Days | 18.0 | 17.5
Average Degree Heating Days | 0.0 | 0.0

St. Lucie #2 operated as expected.

ELECTRIC OPERATIONS DEPARTMENT

Electric Transmission and Distribution:

Maintenance:
T&D crews are continuing routine maintenance and storm hardening throughout the service territory where crews replaced one (1) 10kVA, four (4) 15kVA, four (4) 25kVA and one (1) 50kVA polemount transformers along with one (1) 25kVA, four (4) 50kVA, and one (1) 75kVA padmount transformers. Seven (7) 30’ poles, six (6) 35’ poles, twelve (12) 40’ poles, one (1) 45’ poles, and five (5) 50’ poles were also replaced.
ELECTRIC OPS. DEPT. - Electric Transmission and Distribution (cont.):

Maintenance (cont.):
528 Venetian Villas: Replaced 160’ of faulted 4/0 triplex underground (“URD”) cable.

207 Sandy Lane.: Replaced 70’ of #2 to 1/0 overhead cable due to tree damage during storm.

2662 Old Smyrna Trail: Replaced a vehicle damaged pedestal. A bill will be generated for this repair.

1070 Clubhouse Rd.: Replaced 710’ of contractor damaged 1/0 URD single-phase primary.

Airport Rd.: Replaced a vehicle damaged street light pole (#128-04299). A bill is being generated for this repair.

Capital:
Old Mission Rd.: Working on the line relocation for the new Oak Leaf Preserve subdivision.

S. Samsula and S.R. 44: Installed fault indicators and marker balls.

1100 Willard St.: Installed a 40/3 pole for a new line extension.

Osmose Reject Pole Replacement Program:
The Osmose reject replacement program includes 670 rejected poles from the 2010-2019 timeframe. Three hundred sixty-four (367) poles have been replaced to date, with 3 in the month of August, leaving 303 poles to be replaced. The estimated cost of remaining replacements is $728,392.00.

(Note -- August was an unusual month for Osmose replacements. Pike was dispatched out of Florida to assist with restoration in the New England area after Hurricane Isaias. They were then dispatched to help with restoration in Louisiana after Hurricane Laura. Pike is expected to resume work with U.C. in mid-September.)
ELECTRIC OPS. DEPT. (CONT.):

Substation & Relay:

Smyrna Substation:
Assisting the contractors and monitoring the progress of the station upgrade on a daily basis is ongoing. Bus work and switches on the low side of the two new Smyrna substation transformers are still in progress. The new 115KV bus installation is progressing each month. The below grade conduit installation continues between breakers and transformers and the Trenwa. The new below grade Trenwa sections are now complete. Wire is being pulled from station equipment to the relay/control house. Station service throw-over is now looking at next month to be installed. Line exit conduit bank installation continues from the structural steel to the poles.

Meter Testing Section:
Four (4) meters were tested and replaced for customer complaints. There was a meter changeout at two (2) locations.

Miscellaneous:
Performed weekly readings and inspections and safety checks at all substations and reclosure locations as well as line rated throw-overs.

New CT meters were installed and wired at three locations. Solar service inspections were performed at five (5) meter locations.

Airport Substation – manual monitoring continues for storms due to inoperable SCADA system.

N2 regulator system on Field St. #1 Transformer leak is being repaired this week.

WATER RESOURCES DEPARTMENT

Water Treatment:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Treated Monthly Flow</td>
<td>150.186 MG</td>
</tr>
<tr>
<td>Average Daily Demand</td>
<td>4.845 MGD</td>
</tr>
<tr>
<td>Peak Daily Demand</td>
<td>5.495 MGD</td>
</tr>
<tr>
<td>Rainfall/Water Plant</td>
<td>5.51 Inches</td>
</tr>
</tbody>
</table>

Field trip to the City of Boynton Beach Water Treatment Plant to see a pellet softening treatment system. The City of Boynton Beach was looking at alternatives to the standard lime softening process. This pellet process utilizes sand and liquid caustic chemical in a vertical reaction vessel to soften water.

Three (3) manufacturers’ polymer products were jar tested in the laboratory to determine effectiveness. The first product used in a plant scale test was the KED polymer, after performance test at the suggested feeds rates the product did very poorly and the test was halted. Another plant scale test will be performed using another manufacturer’s product.
WATER RESOURCES DEPARTMENT (CONT.):

Lab - Water Treatment:
Seventy-two (72) distribution samples were analyzed for coliform bacteria. Eight (8) fluoride samples were sent to Pace Analytical for analysis with acceptable results. There were three (3) customer concerns that prompted home visitations.

Lab - Wastewater Treatment:

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Effluent (24 hr. Comp)</th>
<th>WRF Reuse</th>
</tr>
</thead>
<tbody>
<tr>
<td>CBOD (ppm)</td>
<td>**ppm</td>
<td>4.09 ppm</td>
</tr>
<tr>
<td>TSS (ppm)</td>
<td>**ppm</td>
<td>0.50 ppm</td>
</tr>
<tr>
<td>Total Phosphorus (ppm)</td>
<td></td>
<td>1.26 ppm</td>
</tr>
<tr>
<td>Total Nitrogen (ppm)</td>
<td></td>
<td>2.83 ppm</td>
</tr>
</tbody>
</table>

* ** indicates that these parameters are sampled and analyzed for effluent outfall discharge

Water Reclamation Facility:

- Total Inf. Flow / Average Daily Flow: 130.60/4.21 MGD
- Max. Daily Flow: 5.06 MGD
- Bio-solids Removed from WRF Site: 217,964 Gallons
- Reclaimed Water Total Flow: 120.67 MGD
- WW Plant Total Rainfall: 5.68 Inches
- River Discharge Total Flow / Average Daily Flow: 0.00 / 0.00
- Pond influent Flow / Augmentation: 0.23 MG / 6.51 MG
- Annual Avg. % of Reuse Utilization: 100%

Maintained zero discharge to the river outfall for 11 years, 2 months (134 months) consecutively.

Other Item of Interest:
- The WRF Standby Generator was repaired and is online. The temporary Sunbelt Generator was removed from the WRF site.

Lift Stations/Maintenance

- Water Treatment Plant (WTP)
  - Performed scheduled preventative maintenance and responded to eight (8) work orders from water production.

- Wells
  - Inspected all production wells, performed scheduled preventative maintenance and completed four (4) work orders.

- Pump Stations
  - Inspected all pump stations and chlorine feed equipment and performed scheduled preventative maintenance and completed four (4) work orders.

- Water Reclamation
  - Performed scheduled preventative maintenance and completed (7) work orders.
WATER RESOURCES DEPARTMENT (CONT.):

Lift Stations
- Ran standard preventative maintenance routes and completed thirteen (13) work orders.

Reuse Ponds
- Inspected all reuse pond filling facilities, performed scheduled preventative maintenance, adjusted as needed and completed one (1) work order.

Equipment and Field Ops. Repairs
- Maintenance of small equipment and eight (8) specific repair items.

Miscellaneous
- Repaired drive-thru teller lights at the COB
- Installed new housing to cover the P-2 recirculating pump

Field Operations Division

Water Distribution

Water Breaks
Major:  No major breaks for the month of August affecting customers.
Minor:  Twenty (20) leaks and minor breaks were repaired on water services with an average outage of 115 minutes.

Callout Time Summary
- The primary callout person had a total of eighty-two (82) hours
- The secondary callout person(s) had a total of thirty (30) hours
- There was a total of twenty-eight (28) emergencies handled for the month of August.

Locates Performed
- One (1) water and nine (9) sewer locates performed by U.C.
- Approx. three hundred seventy-four (374) Field Ops. locates performed by Venegroup

Work Performed for Commercial Division
- Replaced forty-five (45) water meters
- Replaced twenty-four (24) meter registers

Cross Connection Control Program
- Sixty-two (62) backflow preventor devices installed
- Three hundred thirty-six (336) DDC/RP valves tested
- Fifty-six (56) backflow preventor devices repaired
- One hundred five (105) backflow preventor devices painted
WATER RESOURCES DEPARTMENT (CONT.):

**Sewer Breaks**
- Responded to fifteen (15) minor backups
- Nine (9) were on U.C. side and relieved with an average time of one hundred fifty-nine (159) minutes

**Upgrades:**
- 1416 S Atlantic 5/8”
- 115 Flagler Ave 5/8”
- 121 Flagler Ave 5/8”
- 202 Flagler Ave 5/8”
- 721 Palmetto 5/8”

ENGINEERING DEPARTMENT:

**General:**
1. Protection and Control Study with Burns and McDonnell and FMPA, kick-off meeting held on 7-10-20. Project is designed to provide standardized P&C settings and equipment for use on the electric system. **Study is continuing and will be wrapping up in mid-September.**

**Capital Projects Update:**
1. Sugar Mill Electric Upgrade – Directional boring construction for this project began on 7-15-20. Communication plan in place to notify Sugar Mill residents and HOA of project status and to resolve any potential issues during construction. The project total budget cost is $1,497,600 and funded from W.O. #20-UE1002, with monies spent in FY20 and FY21. Project is ongoing. **UCNSB Customer Service, Engineering and Central Services are managing customer questions as needed.**

2. WRF PLC Replacement – Contractor has released materials for fabrication which we anticipate will take four weeks. The contractor’s electrician will trace and label all wiring in advance of the switchover. The project total cost is $250,000.00 and is funded by W.O.# 20-UP3006. Estimated completion October 2020.

3. Smyrna Substation Expansion – On August 24, 2020, UCNSB approved the rental of a mobile substation at the Smyrna Sub. location to support this project. Rental of a mobile transformer will allow the construction work to continue uninterrupted by system load constraints. The mobile sub. was sole sourced to Duke Energy in the amount of $400,000, funded by W.O. # 20-IE1006.

4. South Beach Pump Station Generator Replacement – Received four bids for ITB #26-20 – South Beach Pump Station Upgrades which were opened on August 18, 2020. Staff review and confirmed references and recommended award of the contract to McMahan Construction Co., LLC in the amount of $895,000. Engineering will go to the Commission in September to ratify the awarded contract and increase the overall project budget to $959,841.00 for an overall increase of $115,000. This project will be funded by W.O. Nos. 20-UW2008 and 180UW139 (prior design).
ENGINEERING DEPARTMENT - Capital Projects Update (cont.):
5. Western Utility Complex – POND created three design and cost estimate options for joint shared fleet facility on the U.C.’s WUC property. Options received, continued discussions internally. A meeting with City of NSB personnel held on 7/28/20 to discuss budgetary pricing and design options. Next step is a joint executive level meeting with the City of NSB to review and determine path forward. Project currently funded by W.O. # 20-UC0005. In addition, U.C. staff and General Counsel is working with all impacted parties to finalize the Williamson Blvd. alignment across this property.

6. Field Street Capacitor Bank – A preconstruction meeting with Sayers Construction, Inc. took place on 8-5-20. Project is moving forward with a total project budget of $953,710, funded by W.O. No. 20-UE1007 with $917,055 budgeted for FY20-FY21 and $36,654 having already been spent in FY19.

7. Glencoe Wells 2 and 3 Upgrade – Consultant created a base drawing from the CPH survey field work. Engineering will be meeting with the consultant to review the project. The total project cost is $273,000 and funded by W.O. #20-UW2013 and will be bridged between FY20 and FY21.

8. 5th Street Bridge Replacement- Project design is in progress. UCNSB approved this project on 5-26-20 in its entirety in the amount of $879,000.00 including approval of the supplemental agreement/Amendment No. 1 for the electric design work with DRMP, Inc., in the amount of $14,790.00. This project is bridged between FY20 and FY21 and budgeted on W.O. No. 20-UW2012, 20-UP3010 and 20-UE1014.

9. Sugar Mill Drive 20-inch Reclaimed Main Relocation - On August 24, 2020, UCNSB ratified the award of ITB No. 27-20 Sugar Mill Drive 20-inch Reclaimed Water Main Relocation contract to Hazen Construction in the amount of $348,500.00. The project’s overall budget was originally approved on July 27, 2020 in the amount of $550,000 and is funded by W.O. #20-UR3000. A pre-construction meeting was scheduled for September 9, 2020.

Interagency Projects Update - City:
1. Fire Hydrant Flow Testing – Project is ongoing with Zone 3 still being flow tested and inspected. UCNSB has contacted the County regarding repairs to County Hydrants requiring payment. The County is researching the process for payment and may ask the U.C. to complete testing and repairs similar to what is being done for the City of NSB.

Interagency Projects Update - County:
1. 10th Street Widening (Myrtle Ave. to U.S. 1) – The County issued a notice to proceed on 6-15-20 to P&S Paving. Tree work is complete and project is moving forward as planned.

Interagency Projects Update - FDOT:
1. Barracuda Bridge Replacement – Design is underway for this project. The project is funded by W.O. #’s 20-UW2011, 20-UP3009 and 20-UE1013.
ENGINEERING DEPARTMENT - Interagency Projects Update - FDOT (cont.):

2. I-95 and Pioneer Trail Interchange – FDOT is designing a new interchange at I-95 which requires UCNSB to install new electric conduit and water main under I-95. On 7-27-20, the Commission approved the project amount of $3,414,318. This amount includes sole sourcing of design work to FDOT’s selected contractor, Stantec, in the amount of $268,316. This project is expected to bridge between FY21 and FY22, to be funded from W.O. Nos. 21-UE1017 and 21-UW2018. FDOT is having a public meeting at the Brannon Center on September 30, 2020 at 5:30 p.m. Engineering Dept. personnel plan to attend this meeting.

GIS:

1. GIS – The Field Ops. and Lift Station staff are receiving new mobile phones. Staff is working with IT during the phone upgrade process to configure their mobile GIS applications to use our internal GIS portal. This will provide them with access to ‘live’ GIS data via web maps and it will streamline the update process for ‘offline’ maps. This also eliminates the need for ArcGIS Online usernames/passwords as the portal uses the staff’s Windows credentials.

Developer Projects:

1. Coastal Woods Unit D – The utility and site work has begun. They are currently excavating and dewatering to establish the lift station wet well.

2. Coastal Woods Commercial 1A - Obtained the FDOT permit to allow performance of the overhead improvements on S.R. 44 and Sugar Mill Drive. The Sugar Mill overhead line is to be done first to help energize the newly constructed lift station.

3. Coastal Woods Multi-family (renamed The Cove) – The developer’s contractor, Briar Construction, has begun the 12” water main construction along Sugar Mill Drive and through the site to the stubbed connection at Coastal Woods Residential Unit A1 (across the UCNSB corridor). They have mobilized the heavy equipment to clear the land for the main’s path.

4. Beacon Apartments – Project is ongoing. Anticipated to be completed around October/November 2020.

5. Shell Pointe Colony Phase 1 – This is a new development located south of Pioneer Trail and east of Venetian Bay with ultimate build out of +/- 750 residential lots and +/- 1.3 million square feet of mix-commercial. Project is currently under review for the 1st submittal.

6. Starbucks at 491 3rd Avenue – A preconstruction meeting was held in August and temporary services have been established for the contractor.

7. River Deck – This project is working toward the underground electrical improvements to serve the development. The water and sewer aspects are awaiting testing and certification, but those processes are awaiting road base being established before testing can be performed. Indicated would like to be open in 30 days, very optimistic; U.C. trying to facilitate their associated needs.
ENGINEERING DEPARTMENT (CONT.):

New Business:

1. Attended Pre-Site Plan (Application submittal), City Ready/Due Diligence Meetings to discuss the following projects:
   - Pet Lodging/Kennel – 1301 Canal St. - Renovation
   - 109 North Causeway – Proposed sandwich/ice cream/coffee shop
   - Tonia Road Storage – Covered outdoor storage
   - Hog Eye Camp Road – Saxon Dr. and 7th Ave. – Proposed 180 residential lots and apartment units
   - 1500 S. Glencoe Road – Subdivide into 3 lots

2. Developer’s Agreement and Addendum approved pending payment of fees:
   - Saint James Estates Subdivision (St. James Estates, LLC) – Dec. 2017
   - N. Causeway Townhomes (Silvestri Investments of Florida, Inc.) – Feb. 2019
   - The Palms Phase 5 (Palms Land Holdings, LLC) – July 2019 – Revised for Temp. Deferral of Infrastructure Fees on 3-23-20
   - Coastal Woods Amenity Center (GEOSAM) – Sept. 2019 - Revised for Temp. Deferral of Infrastructure Fees on 3-23-20
   - Coastal Woods Unit D (GEOSAM) – Jan. 2020 - Revised for Temp. Deferral of Infrastructure Fees on 3-23-20
   - Coastal Woods Commercial Unit 1B – February 2020 - Infrastructure fee deferral approved on 3-23-20
   - S.R. 44 PUD – Mitchell Equity Group, LLLP – August 2020

3. The following Demolition Notification Request processed during this month:
   - 523 Mill Run Drive
   - 1907 S. Atlantic Ave
   - 327 Palm Street
   - 334 Sheldon Street
   - 2051 Pioneer Trail (Quail Hollow #6, #12 and #46)
   - 123 Via Capri

4. Scheduled a TRC Meeting with U.C. staff to review and comment on the following Site Plan:
   - S-13-18 – Shell Pointe Colony Phase 1

New Projects:

Table 1 – Service and Meter Set Fees Paid:

<table>
<thead>
<tr>
<th>Description</th>
<th>August</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Capacity Fees Based on 5/8” Meter</td>
<td>33</td>
</tr>
<tr>
<td>Water Capacity Fees Based on 1” Meter</td>
<td>3</td>
</tr>
<tr>
<td>Water Capacity Fees Based on 1.5” Meter</td>
<td>1</td>
</tr>
<tr>
<td>Wastewater Capacity Fees Based on 5/8” Meter</td>
<td>31</td>
</tr>
<tr>
<td>Wastewater Capacity Fees Based on 1” Meter</td>
<td>3</td>
</tr>
<tr>
<td>Wastewater Capacity Fees Based on 1.5” Meter</td>
<td>1</td>
</tr>
</tbody>
</table>
**Table 1 – Service and Meter Set Fees Paid (cont.):**

<table>
<thead>
<tr>
<th>Service and Meter Set Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reclaimed Water Capacity Fees Based on ¾” Meter</td>
</tr>
<tr>
<td>Reclaimed Water Capacity Fees Based on 1.5” Meter</td>
</tr>
<tr>
<td>Irrigation Capacity Fees – 5/8” Meter</td>
</tr>
<tr>
<td>Meter Setting Fees for Water – 5/8” Meter</td>
</tr>
<tr>
<td>Meter Setting Fees for Water – 1” Meter</td>
</tr>
<tr>
<td>Irrigation Meter Setting Fees for Water – 5/8” Meter</td>
</tr>
<tr>
<td>Temporary construction/fire hydrant meter – 2” Meter</td>
</tr>
<tr>
<td>Meter Setting Fees for Reclaimed – 3/4” Meter</td>
</tr>
<tr>
<td>Temporary Underground Electric Services</td>
</tr>
<tr>
<td>Permanent Underground Electric Services</td>
</tr>
<tr>
<td>Temporary Overhead Electric</td>
</tr>
</tbody>
</table>

**Table 2 – Requests for New Service (2018-2020):**

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of New Homes</th>
<th>No. of Condo Units</th>
<th>No. of Town Home Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jan.</td>
<td>12</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Feb.</td>
<td>7</td>
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</tr>
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<td>March</td>
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</tr>
<tr>
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<td>14</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>May</td>
<td>12</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>June</td>
<td>18</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>July</td>
<td>32</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Aug.</td>
<td>10</td>
<td>9</td>
<td>0</td>
</tr>
<tr>
<td>Sept.</td>
<td>7</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Oct.</td>
<td>33</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Nov.</td>
<td>22</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Dec.</td>
<td>2</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>TOTAL</td>
<td>181</td>
<td>9</td>
<td>0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of New Homes</th>
<th>No. of Condo Units</th>
<th>No. of Town Home Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jan.</td>
<td>20</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Feb.</td>
<td>16</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>March</td>
<td>41</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>April</td>
<td>33</td>
<td>254</td>
<td>0</td>
</tr>
<tr>
<td>May</td>
<td>23</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>June</td>
<td>42</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>July</td>
<td>18</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Aug.</td>
<td>32</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Sept.</td>
<td>51</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Oct.</td>
<td>101</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Nov.</td>
<td>28</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Dec.</td>
<td>65</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>TOTAL</td>
<td>546</td>
<td>312</td>
<td>10</td>
</tr>
</tbody>
</table>

**CENTRAL SERVICES DEPARTMENT**

**Human Resources**

**General:**
Reference Metrics books for information related to Turnover, Customer to Employee Ratio, Employee Headcount Budgeted vs. Actual, Recruitment, and Absence Rate.

**Payroll and Benefits:**
Engaged Retirement Advisory services, SageView Advisory Group, review of the U.C.’s retirement plans ongoing.

**Employee Health & Wellness:**
There was no Health & Wellness event for the month of August.
CENTRAL SERVICES DEPARTMENT (CONT.):

Employee Training & Development:
Peer to Leadership Session 2 was implemented in August.

Community Relations:
Drafted and published communications for various printed materials, social media platforms, UC website, and radio. Communications focused on hurricane preparedness, back-to-school supply drive, Commission workshop/meeting, electric safety, and the dechlorination building dedication for Dave Hoover. In response to a request from Chisholm, the Utilities Commission ordered water bottles for students at the three Volusia County elementary schools in our service territory—Chisholm, Read Pattillo, and Coronado.

Safety & Risk Management:
Safety during the month of August continued to focus mainly on hygiene and social distancing to protect employees against COVID-19. Weekly safety bulletins were sent out to staff outlining the importance of drinking water, staying hydrated, and safe driving tips during a rainstorm.


Fleet and Facilities Management:
The following charts display information related to maintenance on the UC’s fleet and is broken down as follows: **Number of UC’s Fleet serviced in the month;**

Type of service performed: Preventative Maintenance (PM), Corrective Maintenance (CM), and Other (includes, decal placement, reflective tape, decommissions, recalls, and warranties);

Severity of Corrective Maintenance: High, Mid, and Low – defined by cost; and

Services by Department – shows by number, what portion of services for each department.

![PM Scheduled Service (monthly)](chart)

Scheduled PM Services – chart reflects what was serviced vs. what was scheduled for service (includes vehicles and equipment).
CENTRAL SERVICES DEPARTMENT – Fleet and Facilities Maint. (cont.):

**Non-PM Services (monthly)**

Chart reflects other services performed in the month, excluding preventative, and shows relative to the total number of vehicles and equipment (V/E) in the UC’s fleet. *(Corrective maintenance (CM) and other (e.g., adding decals, reflective tape, decommission, warranty, and recalls, etc.).)*

**Severity of CM**

Breakout of Corrective Maintenance displayed by severity (shown as the number of vehicles). Severity is defined by cost of service.
CENTRAL SERVICES DEPARTMENT – Fleet and Facilities Maint. (cont.):

<table>
<thead>
<tr>
<th>Department</th>
<th>PM</th>
<th>CM</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electric</td>
<td>5</td>
<td>14</td>
<td>6</td>
</tr>
<tr>
<td>Sys Ops</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Water</td>
<td>0</td>
<td>11</td>
<td>0</td>
</tr>
<tr>
<td>F&amp;A</td>
<td>2</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Central Services</td>
<td>2</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>IT</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Engineering</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
</tbody>
</table>

Shows breakdown of the number of vehicles and type of service by department.
AGENDA ITEM  4-a

CONSENT ITEM  FOR MEETING OF:  September 28, 2020

NEW BUSINESS  FROM:  General Manager/CEO

OLD BUSINESS  SIGNATURE:  Joseph Bunch

General Manager's Report  EXHIBITS:  None

SUBJECT: Introduction of Interim Director of Electric Operations

SUMMARY:
General Manager-CEO will be providing an introduction of the new Interim Director of Electric Operations - Mr. Michael Schings.

RECOMMENDED ACTION:
No action required - Information only.

GM/CEO  Joseph Bunch

NOTE:  ALL AGENDA ITEMS MUST BE IN THE GENERAL MANAGER'S OFFICE BY NOON MONDAY TO FRIDAY TWO WEEKS PRIOR TO THE REGULAR MONDAY COMMISSION MEETING.
AGENDA ITEM 4-b

☑ CONSENT ITEM FOR MEETING OF: September 28 2020

☐ NEW BUSINESS FROM: Director of Finance/CFO

☐ OLD BUSINESS SIGNATURE: Efren Chavez

☑ General Manager's Report EXHIBITS: August 2020 Financial Statement

SUBJECT: August 2020 Monthly Financial Statement

SUMMARY:


RECOMMENDED ACTION:


FUNDING SOURCE(S) N/A

GM/CEO Joseph Bunch

NOTE: ALL AGENDA ITEMS MUST BE IN THE GENERAL MANAGER'S OFFICE BY NOON MONDAY TO FRIDAY TWO WEEKS PRIOR TO THE REGULAR MONDAY COMMISSION MEETING.
UTILITIES COMMISSION
City of New Smyrna Beach, Florida
NOTES TO THE FINANCIAL STATEMENTS

August 2020

Summary of Significant Accounting Policies
The accounting policies of the Utilities Commission conform to the generally accepted accounting principles as promulgated by the American Institute of Certified Public Accountants, the Financial Accounting Standards Board, the Federal Energy Regulatory Commission and the Governmental Accounting Standards Board. The following is a summary of the significant policies:

Reporting Entity
The Utilities Commission, City of New Smyrna Beach, Florida was created in 1967 through the passage of Chapter 67-1754, Laws of Florida, Special Acts of 1967 (House Bill 1669) which amended the Charter of the City of New Smyrna Beach. The special act was approved by a referendum vote of the people. Pursuant to Chapter 67-1754, the Commission has full and exclusive authority to the extent permitted by law over the management, operation and control of the City’s electric, water, and reclaimed water systems. On May 28, 1975, the Utilities Commission, City of New Smyrna Beach, Florida, passed Resolution Number 16-75, which established the electric, water, and reclaimed water systems as a single utility fund. This utility fund is accounted for as an enterprise fund.

Basis of Accounting
Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The Utilities Commission, City of New Smyrna Beach, utilizes the accrual basis of accounting. By utilizing this method, revenues are recognized as they are earned, and expenses are recognized as they are incurred. Unbilled electric, water and reclaimed water utility service receivables are recorded so as to provide a better matching of service with the costs of providing the service.

Charter and Resolution 28-78
The Utilities Commission was duly created and validly exists under and by virtue of Chapters 67-1754 and 85-503, Laws of Florida. UC Resolution No. 28-78, the “Governing Resolution” contains and states the Utilities Commission’s bond covenants, terms and provisions, i.e., use of funds, rates and collection enforcement, maintenance of system, no free service, etc.

Utility Plant
The cost of additions, replacements, and renewals of units of property is added to utility plant. The cost (estimated, if not known) of units of property retired, less net salvage, is charged to accumulated depreciation and credited to the appropriate asset account. Maintenance and repairs of property and replacements and renewals of items determined to be less than units of property are charged to maintenance expenses. Depreciation is provided for by utilization of the straight-line method calculated on a service-life basis to amortize the cost of the asset over the economic estimated useful lives.

Accounts Receivable
As of August 31, 2020, the allowance for doubtful accounts was $67,246. This is an estimate of uncollectable customer accounts receivable based on historical trends.

Other Receivable
As of August 31, 2020, Other Receivable – Disaster Assistance (Net) was $135,540. This is an estimate of FEMA and State receivable primarily due to Hurricane Irma.
Unbilled Accounts Receivable
As of August 31, 2020, Unbilled Accounts Receivable was $3,942,890. The ($6,363,706) over recovery of fuel costs is separately stated.

Inventory of Material and Supplies
The inventory is priced at cost by the use of the "First-in, first-out" method of accounting.

Electric line transformers, electric meters, water meters, and replacement units for the diesel generating plants are classified as utility plant in accordance with accepted industry practices set forth by the National Association of Regulatory Utility Commissions.

Contribution-In-Aid-of-Construction (CIAC) includes a dollar valuation of non-cash contributed capital assets. These assets are accounted for in Forecast Report under R&R Contribution and on the Statement of Revenue Expenses and Changes in Net Assets under Capital Contributions.

Long-Term Debt
Long-term debt outstanding at August 31, 2020 is as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utilities System Refunding Revenue Certificates, Series 2009 - 3.96%</td>
<td>$ 0.00</td>
<td>$1,900,000</td>
</tr>
<tr>
<td>due serially to 2020, debt service</td>
<td></td>
<td></td>
</tr>
<tr>
<td>requirements allocated as follows: Electric 50.66%, Water 15.69%, Reclaimed 33.65%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Utilities System Refunding Revenue Certificates, Series 2013A - 2.26%</td>
<td>$ 0.00</td>
<td>$8,840,000</td>
</tr>
<tr>
<td>due serially to 2027, debt service</td>
<td></td>
<td></td>
</tr>
<tr>
<td>requirements allocated as follows: Reclaimed 100.00%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Utilities System Refunding Revenue Certificates, Series 2013B - 2.32%</td>
<td>$ 0.00</td>
<td>$6,485,000</td>
</tr>
<tr>
<td>due serially to 2027, debt service</td>
<td></td>
<td></td>
</tr>
<tr>
<td>requirements allocated as follows: Water 100.00%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Series 2020 Bond Refunding ($11,760,000.00) all of its</td>
<td>$11,760,000</td>
<td>$ 0.00</td>
</tr>
<tr>
<td>outstanding Utilities System Revenue Certificate, Series 2009, 2013A and</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013B collectively the &quot;Refunded Certificate&quot;. Due serially to 2027. Debt</td>
<td></td>
<td></td>
</tr>
<tr>
<td>services requirements allocated as follows: Water 42.32% and Reclaimed 57.68%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Series 2020 Bond ($57,695,000.00) Due serially to 2049. Debt services</td>
<td>$57,695,000</td>
<td>$ 0.00</td>
</tr>
<tr>
<td>requirements allocated as follows: Electric 49.80%, Water 23.80% and</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reclaimed 26.40%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL OUTSTANDING LONG-TERM DEBT</td>
<td>$69,455,000</td>
<td>$17,225,000</td>
</tr>
</tbody>
</table>
NOTES TO THE FINANCIAL STATEMENTS

Current Maturities:

<table>
<thead>
<tr>
<th>Series</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Series 2009 Certificates</td>
<td>$0.00</td>
<td>$3,325,000</td>
</tr>
<tr>
<td>Series 2011 Certificates</td>
<td>$0.00</td>
<td>$1,190,000</td>
</tr>
<tr>
<td>Series 2013A Certificates</td>
<td>$0.00</td>
<td>$280,000</td>
</tr>
<tr>
<td>Series 2013B Certificate</td>
<td>$0.00</td>
<td>$725,000</td>
</tr>
<tr>
<td><strong>CURRENT MATURITIES</strong></td>
<td><strong>$1,055,000</strong></td>
<td><strong>$5,520,000</strong></td>
</tr>
<tr>
<td><strong>LONG-TERM PORTION OF DEBT</strong></td>
<td><strong>$69,455,000</strong></td>
<td><strong>$17,225,000</strong></td>
</tr>
<tr>
<td><strong>TOTAL DEBT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>(NET OF UNAMORTIZED DISCOUNT)</strong></td>
<td><strong>$70,510,000</strong></td>
<td><strong>$22,745,000</strong></td>
</tr>
</tbody>
</table>

Summary of the Debt Service Requirements Allocated by Issues:

<table>
<thead>
<tr>
<th>Series</th>
<th>Electric</th>
<th>Water</th>
<th>Reclaimed</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>50.66%</td>
<td>15.69%</td>
<td>33.65%</td>
</tr>
<tr>
<td>2013A</td>
<td></td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td>2013B</td>
<td>100%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020 Refunding</td>
<td>42.32%</td>
<td>23.80%</td>
<td>57.68%</td>
</tr>
<tr>
<td>2020</td>
<td>49.80%</td>
<td>23.80%</td>
<td>26.40%</td>
</tr>
</tbody>
</table>

Series 2020 Bonds

The Series 2020 Bonds were issued on Thursday, June 4th with an All-In Total Interest Cost (All-in TIC) of 2.76%. Series 2020 Bond proceeds refunded all outstanding debt, provided funds for bond issuance costs and provided $65 million for capital improvement projects. The Balance Sheet and Income Statement reflect the updated debt and interest expense totals. As part of the Series 2020 Bond issuance, there were interest savings of approximately $1 million on the outstanding UC debt.

COMMITMENTS

Construction Work-In-Progress: As of August 31, 2020, approximately 19.6 million of construction work-in-progress consisted primarily of the engineering, planning and construction cost. As a result of these ongoing construction activities, the Utilities Commission has unrecognized commitments.

RATE COMPARISON

The Utilities Commission’s electric rates continue to be among the lowest in the state for residential consumers of municipal utilities. With the reduction of the Fuel and Purchase Power rate to $15.75 due to the COVID-19 pandemic relief effort, a U.C. customer who uses 1,200 kWh per month has a monthly bill of $116.29, which is the third lowest in the State, according to the June 2020 survey published by the Florida Municipal Electric Association. This rate compares favorably to investor-owned utilities as well.

A U.C. non demand commercial customer fairs similarly well. With the reduction of the Fuel and Purchase Power rate as well, the average monthly bill for commercial customer who uses 1,500 kWh per month is $141.43 and is the third lowest in the State for municipal utilities.

The Utilities Commission’s water resources rates also remain very competitive. Based upon a 2019 rate survey by the St. John’s River Water Management District, the U.C.’s water and reclaimed rates for a 4,000 gallon per month residential user, of $15.99 and $34.89, respectively, are the lowest in water and third lowest
in water/reclaimed combined rates as compared to other east Volusia coastal cities*. (*comparable water source and treatment levels)

For commercial water and reclaimed rates for a typical 8,000 gallon per month user, of $24.48 and $60.53, respectively, the U.C.'s commercial rates are the third lowest for water/reclaimed combined when compared to the east Volusia coastal cities.

DEFINITIONS

Operating Expenses

*Fuel & Purchased Power Expense* – This line item encompasses the costs of electricity purchased by the Utilities Commission for resale to its customers.

*Other Production Expense* – This category includes the cost of labor, materials and associated expenses to produce an end utility deliverable for customer utilization.

- For the Electric system, expenses are associated primarily with in-house generation and System Operations salaries.
- For the Water system, expenses are to produce potable water for customers, including maintenance of water treatment equipment.

*Transmission, Distrib. & Collection* – This category contains the cost of labor, materials and associated expenses to transfer an end utility deliverable between an originating processing point, to/from end consumers.

- For the Electric system, this incorporates maintenance of: poles, overhead/underground lines, and substations & relays.
- For the Water system, this involves maintenance of mains, hydrants and meters.
- For the Reclamation system, this takes into account all reclaimed treatment expenses, as well as, maintenance of sewer lines and treatment equipment.

*Customer Accounting* – This line item consists of the cost of labor, materials and associated expenses to read a customer’s meter, generate and collect a monthly bill, and provide customer service.

*Administrative and General* - This category comprises the cost of labor, materials and expenses associated with general administration of the Utility Commission’s operations, including: General Manager, Information Technology, Human Relations, Engineering, Accounting and Materials Management.

*Required Payments to City of NSB* – This line item contains the 6% of revenues levy (pursuant to UC Charter) paid directly to the City.

*Depreciation and Amortization* – This line item shows the expense of depreciation of Utility property over their estimated useful lives.
### Financial Highlights

#### Combined Financial Highlights

<table>
<thead>
<tr>
<th></th>
<th>YTD August, 2020</th>
<th>YTD August, 2019</th>
<th>Increase (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenues</td>
<td>$53,944,910</td>
<td>$55,300,380</td>
<td>-2.45%</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>54,230,008</td>
<td>54,484,189</td>
<td>-0.47%</td>
</tr>
<tr>
<td>Interest &amp; other income</td>
<td>922,073</td>
<td>1,453,510</td>
<td>-36.56%</td>
</tr>
<tr>
<td>Interest Expense &amp; other non-operating exp.</td>
<td>2,071,337</td>
<td>1,058,520</td>
<td>95.68%</td>
</tr>
<tr>
<td>Income before contributions</td>
<td>(1,434,362)</td>
<td>1,211,161</td>
<td>-218.43%</td>
</tr>
<tr>
<td>Capital Contributions</td>
<td>4,038,775</td>
<td>12,890,086</td>
<td>-68.67%</td>
</tr>
<tr>
<td>Utility plant, net</td>
<td>197,056,322</td>
<td>190,087,432</td>
<td>3.67%</td>
</tr>
<tr>
<td>Total assets</td>
<td>303,642,584</td>
<td>241,916,323</td>
<td>25.52%</td>
</tr>
<tr>
<td>Long-term debt, net</td>
<td>79,646,420</td>
<td>17,225,000</td>
<td>362.39%</td>
</tr>
<tr>
<td>Net assets</td>
<td>204,633,584</td>
<td>202,575,647</td>
<td>1.02%</td>
</tr>
</tbody>
</table>

| Debt Service Coverage Ratio* | 3.51 | 2.67 | 31.50% |

#### Electric Financial Highlights

<table>
<thead>
<tr>
<th></th>
<th>YTD August, 2020</th>
<th>YTD August, 2019</th>
<th>Increase (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenues</td>
<td>$36,918,834</td>
<td>$38,650,454</td>
<td>-4.48%</td>
</tr>
<tr>
<td>Fuel &amp; Purchased Power Expense</td>
<td>16,685,612</td>
<td>17,744,923</td>
<td>-5.97%</td>
</tr>
<tr>
<td>Operating &amp; Maintenance Expense</td>
<td>20,100,192</td>
<td>20,755,799</td>
<td>-3.16%</td>
</tr>
<tr>
<td>Change in Net Assets</td>
<td>728,506</td>
<td>3,150,451</td>
<td>-76.88%</td>
</tr>
</tbody>
</table>

#### Water Financial Highlights

<table>
<thead>
<tr>
<th></th>
<th>YTD August, 2020</th>
<th>YTD August, 2019</th>
<th>Increase (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenues</td>
<td>$7,544,353</td>
<td>$7,469,501</td>
<td>1.00%</td>
</tr>
<tr>
<td>Operating &amp; Maintenance Expense</td>
<td>8,575,760</td>
<td>8,008,463</td>
<td>7.08%</td>
</tr>
<tr>
<td>Change in Net Assets</td>
<td>50,421</td>
<td>3,557,367</td>
<td>-98.58%</td>
</tr>
</tbody>
</table>

#### Reclaimed Water Financial Highlights

<table>
<thead>
<tr>
<th></th>
<th>YTD August, 2020</th>
<th>YTD August, 2019</th>
<th>Increase (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenues</td>
<td>$9,481,722</td>
<td>$9,180,406</td>
<td>3.28%</td>
</tr>
<tr>
<td>Operating &amp; Maintenance Expense</td>
<td>8,868,446</td>
<td>7,975,001</td>
<td>11.20%</td>
</tr>
<tr>
<td>Change in Net Assets</td>
<td>1,825,482</td>
<td>3,393,433</td>
<td>-75.31%</td>
</tr>
</tbody>
</table>

Notes:

The Aug 2020 YTD Electric System Change in Net Assets of $0.7M was approximately $2.4M lower than the prior year driven by fuel charge set to zero totaled ($1.6M), lower capital contributions, lower interest income and one-time Series 2020 Bond Issuance costs of ($0.4M) partially offset by one-time AT&T pole rental settlement of $0.275M. Total kWh sales are slightly higher than the prior year.

The Aug 2020 YTD Water System Change in Net Assets of $0.1M was approximately $3.5M less than prior year driven by lower capital contributions, higher operating expenses and one-time Series 2020 Bond Issuance costs of ($0.2M). Aug 2020 YTD revenues are flat to prior year YTD revenues. Kilogallon sales are flat to the prior year.

The Aug 2020 YTD Wastewater/Reclaim System Change in Net Assets of $1.8M was approximately $5.6M less than the prior year driven by lower capital contributions, increased operating expenses and one-time Series 2020 Bond Issuance costs of ($0.2M) partially offset by higher revenues. Aug YTD wastewater/reuse kilogallon sales and revenues are higher than the prior year.
## Statistical Highlights

### Electric Statistical Highlights

<table>
<thead>
<tr>
<th></th>
<th>August, 2020</th>
<th>August, 2019</th>
<th>Increase/Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Sales (kWh)</td>
<td>45,911,187</td>
<td>42,937,808</td>
<td>6.92%</td>
</tr>
<tr>
<td>Demand Sales (kWh)</td>
<td>12,848,425</td>
<td>13,184,707</td>
<td>-2.55%</td>
</tr>
<tr>
<td>Total Active Accounts</td>
<td>30,632</td>
<td>28,941</td>
<td>5.84%</td>
</tr>
<tr>
<td>Average Residential Use (kWh)</td>
<td>1,283</td>
<td>1,161</td>
<td>8.74%</td>
</tr>
<tr>
<td>Average Residential Revenue per kWh</td>
<td>$0.0962</td>
<td>$0.1034</td>
<td>($0.0072)</td>
</tr>
</tbody>
</table>

### Water Statistical Highlights

<table>
<thead>
<tr>
<th></th>
<th>August, 2020</th>
<th>August, 2019</th>
<th>Increase/Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Sales (kilogallons)</td>
<td>144,230</td>
<td>141,081</td>
<td>2.23%</td>
</tr>
<tr>
<td>Total Active Accounts</td>
<td>28,310</td>
<td>27,433</td>
<td>3.20%</td>
</tr>
<tr>
<td>Average Usage per Account (gallons)</td>
<td>5,095</td>
<td>5,143</td>
<td>-0.93%</td>
</tr>
<tr>
<td>Average Revenue per gallon</td>
<td>$0.0046</td>
<td>$0.0047</td>
<td>($0.0001)</td>
</tr>
</tbody>
</table>

### Wastewater Statistical Highlights

<table>
<thead>
<tr>
<th></th>
<th>August, 2020</th>
<th>August, 2019</th>
<th>Increase/Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Sales</td>
<td>84,149</td>
<td>81,812</td>
<td>2.86%</td>
</tr>
<tr>
<td>Total Active Accounts</td>
<td>23,005</td>
<td>22,140</td>
<td>3.91%</td>
</tr>
<tr>
<td>Average Usage per Account (gallons)</td>
<td>3,658</td>
<td>3,695</td>
<td>-1.01%</td>
</tr>
<tr>
<td>Average Revenue per gallon</td>
<td>$0.0094</td>
<td>$0.0094</td>
<td>($0.0001)</td>
</tr>
</tbody>
</table>

### Reuse Statistical Highlights

<table>
<thead>
<tr>
<th></th>
<th>August, 2020</th>
<th>August, 2019</th>
<th>Increase/Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Sales (kilo gallons)</td>
<td>59,861</td>
<td>51,456</td>
<td>16.33%</td>
</tr>
<tr>
<td>Total Active Accounts</td>
<td>3,172</td>
<td>2,691</td>
<td>17.87%</td>
</tr>
<tr>
<td>Average Usage per Account (gallons)</td>
<td>18,872</td>
<td>19,122</td>
<td>-1.31%</td>
</tr>
<tr>
<td>Average Revenue per gallon</td>
<td>$0.0014</td>
<td>$0.0014</td>
<td>($0.0000)</td>
</tr>
</tbody>
</table>

### Current Ratio

| Current Ratio | 1.84 |

---

"Statistical Highlights"
Eleven Months Ended - August 31, 2020
-$8.41
# UTILITIES COMMISSION
City of New Smyrna Beach, Florida

**August-20**

**STATISTICAL COMPARISON-SALES**

<table>
<thead>
<tr>
<th>ELECTRIC</th>
<th>Aug-20</th>
<th>Aug-19</th>
<th>% (Change +/-)</th>
<th>NO. ACCTS BILLED</th>
<th>Aug-20</th>
<th>Aug-19</th>
<th>% (Change +/-)</th>
<th>REVENUE (1)</th>
<th>Aug-20</th>
<th>Aug-19</th>
<th>% (Change +/-)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>32,793,196</td>
<td>29,486,250</td>
<td>11.22%</td>
<td>25,970</td>
<td>25,390</td>
<td>2.28%</td>
<td>3,155,060.54</td>
<td>3,049,908.18</td>
<td>3.45%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Services</td>
<td>12,848,425</td>
<td>13,184,707</td>
<td>-2.55%</td>
<td>3,563</td>
<td>2,448</td>
<td>45.55%</td>
<td>1,230,122.61</td>
<td>1,347,710.62</td>
<td>-8.73%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Street Lights</td>
<td>269,566</td>
<td>267,851</td>
<td>0.64%</td>
<td>1,099</td>
<td>1,103</td>
<td>-0.36%</td>
<td>55,182.04</td>
<td>56,689.38</td>
<td>-2.66%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>45,911,187</td>
<td>42,937,808</td>
<td>6.92%</td>
<td>30,632</td>
<td>28,941</td>
<td>5.84%</td>
<td>4,440,365.19</td>
<td>4,454,308.18</td>
<td>-0.31%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>WATER</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>M. GAL SALES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Metered Sales</td>
<td>144,230</td>
<td>141,081</td>
<td>2.23%</td>
<td>28,310</td>
<td>27,433</td>
<td>3.20%</td>
<td>668,748.47</td>
<td>661,746.45</td>
<td>1.06%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hydrants</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>144,230</td>
<td>141,081</td>
<td>2.23%</td>
<td>28,310</td>
<td>27,433</td>
<td>3.20%</td>
<td>668,748.47</td>
<td>661,746.45</td>
<td>1.06%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>WASTEWATER</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic &amp; Commer.</td>
<td>23,005</td>
<td>22,140</td>
<td>3.91%</td>
<td>787,023.29</td>
<td>770,328.13</td>
<td>2.17%</td>
<td>2.17%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WATER REUSE</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic &amp; Commer.</td>
<td>3,172</td>
<td>2,691</td>
<td>17.87%</td>
<td>82,307.63</td>
<td>71,418.08</td>
<td>15.25%</td>
<td>15.25%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Fuel and Purchased Power Adjustment
- August-20: $15.75 per 1,000 kWh
- August-19: $22.68 per 1,000 kWh

(1) Net of Load Management Credits
- August-20: (16,226.86)
- August-19: (16,088.17)
# UTILITIES COMMISSION  
CITY OF NEW SMYRNA BEACH, FLORIDA  
STATEMENT OF NET ASSETS (UNAUDITED)  
For the Eleven Months Ending August 31, 2020

## ASSETS

### UTILITY PLANT IN SERVICE:

<table>
<thead>
<tr>
<th>Plant Type</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electric Plant</td>
<td>$110,143,711</td>
<td>$105,522,929</td>
</tr>
<tr>
<td>Water Plant</td>
<td>75,381,410</td>
<td>73,423,978</td>
</tr>
<tr>
<td>Wastewater/Reclamation Plant</td>
<td>79,779,377</td>
<td>76,653,013</td>
</tr>
<tr>
<td>Water Reuse Plant</td>
<td>15,871,757</td>
<td>15,561,818</td>
</tr>
<tr>
<td>General Plant</td>
<td>43,583,976</td>
<td>42,458,811</td>
</tr>
<tr>
<td><strong>Less Accumulated Depreciation and Amortization</strong></td>
<td><strong>324,760,231</strong></td>
<td><strong>313,620,549</strong></td>
</tr>
</tbody>
</table>

### Construction Work in Progress

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>177,489,719</td>
<td>173,035,324</td>
</tr>
</tbody>
</table>

### TOTAL UTILITY PLANT (NET)

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>197,056,322</strong></td>
<td><strong>190,087,432</strong></td>
</tr>
</tbody>
</table>

### RESTRICTED ASSETS:

<table>
<thead>
<tr>
<th>Fund Description</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt Service Funds</td>
<td>1,470,185</td>
<td>5,339,908</td>
</tr>
<tr>
<td>Renewal &amp; Replacement Fund-Unrestricted</td>
<td>8,103,812</td>
<td>15,364,120</td>
</tr>
<tr>
<td>Renewal &amp; Replacement Fund-Restricted</td>
<td>14,968,281</td>
<td>12,943,892</td>
</tr>
<tr>
<td>Renewal &amp; Replacement Fund-2020 Bond Funds</td>
<td>65,000,000</td>
<td>3,890,513</td>
</tr>
<tr>
<td>Developer Infrastructure Fund</td>
<td>2,559,813</td>
<td>3,184,765</td>
</tr>
<tr>
<td>1981 Sewer Assessment Fund</td>
<td>49,699</td>
<td>49,438</td>
</tr>
<tr>
<td>Customer Deposit Fund</td>
<td>3,187,379</td>
<td>3,184,765</td>
</tr>
<tr>
<td><strong>TOTAL RESTRICTED ASSETS</strong></td>
<td><strong>95,339,169</strong></td>
<td><strong>40,772,636</strong></td>
</tr>
</tbody>
</table>

### CURRENT ASSETS:

<table>
<thead>
<tr>
<th>Asset Description</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>5,401,647</td>
<td>2,331,110</td>
</tr>
<tr>
<td>Accounts Receivable (Net)</td>
<td>3,488,065</td>
<td>3,236,377</td>
</tr>
<tr>
<td>Other Receivable - Disaster Assistance (Net)</td>
<td>135,540</td>
<td>347,418</td>
</tr>
<tr>
<td>Unbilled Accounts Receivable</td>
<td>3,942,890</td>
<td>4,155,335</td>
</tr>
<tr>
<td>(Over) Under Recovery Fuel Cost</td>
<td>(6,363,706)</td>
<td>(3,530,715)</td>
</tr>
<tr>
<td>Inventories</td>
<td>2,513,024</td>
<td>2,364,109</td>
</tr>
<tr>
<td>Prepaid Expenses and Other Assets</td>
<td>314,329</td>
<td>379,868</td>
</tr>
</tbody>
</table>

**TOTAL CURRENT ASSETS**

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>9,431,789</td>
<td>9,283,502</td>
</tr>
</tbody>
</table>

### DEFERRED CHARGES AND OTHER NON CURRENT ASSETS:

<table>
<thead>
<tr>
<th>Description</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred Outflows on Pensions</td>
<td>874,526</td>
<td>869,386</td>
</tr>
<tr>
<td>Unamortized Debt Expense</td>
<td>94,794</td>
<td></td>
</tr>
<tr>
<td>Deferred Charges &amp; Other Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Receivables</td>
<td>845,984</td>
<td>903,367</td>
</tr>
</tbody>
</table>

**TOTAL DEF. CHARGES AND OTHER ASSETS**

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,815,304</td>
<td>1,772,753</td>
</tr>
</tbody>
</table>

**TOTAL ASSETS**

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>$303,642,584</strong></td>
<td><strong>$241,916,323</strong></td>
</tr>
</tbody>
</table>
UTILITIES COMMISSION  
CITY OF NEW SMYRNA BEACH, FLORIDA  
STATEMENT OF NET ASSETS (UNAUDITED)  
For the Eleven Months Ending August 31, 2020

<table>
<thead>
<tr>
<th>LIABILITIES AND NET ASSETS</th>
</tr>
</thead>
<tbody>
<tr>
<td>NET ASSETS:</td>
</tr>
<tr>
<td>Invested in Utility Plant, Net of Related Debt $111,027,007</td>
</tr>
<tr>
<td>Restricted for Debt Service 12,539,107</td>
</tr>
<tr>
<td>Restricted for Renewal &amp; Replacement 6,586,206</td>
</tr>
<tr>
<td>Unrestricted 71,876,850</td>
</tr>
<tr>
<td>YTD Profit/(Loss) 2,604,414</td>
</tr>
<tr>
<td>TOTAL NET ASSETS 202,575,647</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LONG TERM DEBT:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue Certificates Payable 69,455,000</td>
</tr>
<tr>
<td>Plus: Unamortized Premium on Long Term Debt 10,191,420</td>
</tr>
<tr>
<td>TOTAL LONG TERM DEBT 79,646,420</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>RESTRICTED FUND LIABILITIES:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue Certificates Payable (Current Portion) 1,055,000</td>
</tr>
<tr>
<td>Interest on Long Term Debt Payable 678,935</td>
</tr>
<tr>
<td>Accounts Payable 148,807</td>
</tr>
<tr>
<td>Retainage Payable 75,000</td>
</tr>
<tr>
<td>Customers Deposits 3,187,379</td>
</tr>
<tr>
<td>Developer Infrastructure 4,680,978</td>
</tr>
<tr>
<td>Deferred Inflows on Pensions 398,360</td>
</tr>
<tr>
<td>TOTAL RESTRICTED FUND LIABILITIES 10,224,459</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CURRENT LIABILITIES:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable 3,076,248</td>
</tr>
<tr>
<td>Accrued Liabilities 346,083</td>
</tr>
<tr>
<td>Due to Other Governments 1,706,153</td>
</tr>
<tr>
<td>TOTAL CURRENT LIABILITIES 5,128,484</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OTHER NONCURRENT LIABILITIES:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred Compensated Absences 532,984</td>
</tr>
<tr>
<td>OPEB Obligation 854,242</td>
</tr>
<tr>
<td>Net Pension Liability 2,622,411</td>
</tr>
<tr>
<td>TOTAL OTHER NONCURRENT LIABILITIES 4,009,637</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TOTAL LIABILITY AND NET ASSETS</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL LIABILITIES 99,009,000</td>
</tr>
<tr>
<td>TOTAL LIABILITIES AND NET ASSETS $303,642,584</td>
</tr>
</tbody>
</table>
## Utilities Commission
City of New Smyrna Beach, Florida
Statement of Revenue, Expenses, and Changes in Net Assets (Unaudited)

**Combined System**
For the Eleven Months Ending August 31, 2020

### Operating Revenue:

<table>
<thead>
<tr>
<th></th>
<th>August  20</th>
<th>FISCAL YEAR TO DATE</th>
<th>August 19</th>
<th>FISCAL YEAR TO DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>$5,948,837</td>
<td>$53,344,131</td>
<td>$5,728,737</td>
<td>$54,699,639</td>
</tr>
<tr>
<td>Other Revenues</td>
<td>63,984</td>
<td>600,779</td>
<td>55,784</td>
<td>600,721</td>
</tr>
<tr>
<td><strong>Total Operating Revenues</strong></td>
<td><strong>6,012,821</strong></td>
<td><strong>53,944,910</strong></td>
<td><strong>5,784,521</strong></td>
<td><strong>55,300,360</strong></td>
</tr>
</tbody>
</table>

### Operating Expenses:

<table>
<thead>
<tr>
<th></th>
<th>August  20</th>
<th>FISCAL YEAR TO DATE</th>
<th>August 19</th>
<th>FISCAL YEAR TO DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fuel &amp; Purchased Power Expense</td>
<td>1,789,605</td>
<td>16,685,612</td>
<td>1,924,676</td>
<td>17,744,923</td>
</tr>
<tr>
<td>Other Production Expense</td>
<td>683,075</td>
<td>7,320,969</td>
<td>810,375</td>
<td>8,862,849</td>
</tr>
<tr>
<td>Transmission, Distrib. &amp; Coll.</td>
<td>721,216</td>
<td>7,708,700</td>
<td>660,507</td>
<td>7,138,678</td>
</tr>
<tr>
<td>Customer Accounting</td>
<td>119,908</td>
<td>1,013,098</td>
<td>116,266</td>
<td>1,229,110</td>
</tr>
<tr>
<td>Administrative and General</td>
<td>1,019,666</td>
<td>10,161,170</td>
<td>787,967</td>
<td>9,010,618</td>
</tr>
<tr>
<td>Required Payments to City of NSB</td>
<td>362,338</td>
<td>3,382,531</td>
<td>360,670</td>
<td>3,424,710</td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>755,431</td>
<td>7,957,928</td>
<td>648,178</td>
<td>7,073,301</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td><strong>5,451,239</strong></td>
<td><strong>54,230,008</strong></td>
<td><strong>5,308,639</strong></td>
<td><strong>54,484,189</strong></td>
</tr>
</tbody>
</table>

**Operating Income/(Loss)**

<table>
<thead>
<tr>
<th></th>
<th>August 20</th>
<th>FISCAL YEAR TO DATE</th>
<th>August 19</th>
<th>FISCAL YEAR TO DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Interest Earnings</strong></td>
<td>4,037</td>
<td>261,291</td>
<td>61,823</td>
<td>693,254</td>
</tr>
<tr>
<td><strong>Other Income</strong></td>
<td>88,155</td>
<td>660,782</td>
<td>76,466</td>
<td>760,256</td>
</tr>
<tr>
<td><strong>Total Non-Operating Income</strong></td>
<td><strong>92,192</strong></td>
<td><strong>922,073</strong></td>
<td><strong>138,289</strong></td>
<td><strong>1,453,510</strong></td>
</tr>
</tbody>
</table>

### Non-Operating Expenses:

<table>
<thead>
<tr>
<th></th>
<th>August 20</th>
<th>FISCAL YEAR TO DATE</th>
<th>August 19</th>
<th>FISCAL YEAR TO DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Interest Expense</strong></td>
<td>230,368</td>
<td>1,003,725</td>
<td>55,981</td>
<td>615,795</td>
</tr>
<tr>
<td><strong>Other Expenses</strong></td>
<td>18,795</td>
<td>1,067,612</td>
<td>155,467</td>
<td>442,725</td>
</tr>
<tr>
<td><strong>Total Non-Operating Expenses</strong></td>
<td><strong>249,161</strong></td>
<td><strong>2,071,337</strong></td>
<td><strong>211,448</strong></td>
<td><strong>1,058,520</strong></td>
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</tbody>
</table>

**Income Before Contributions**

<table>
<thead>
<tr>
<th></th>
<th>August 20</th>
<th>FISCAL YEAR TO DATE</th>
<th>August 19</th>
<th>FISCAL YEAR TO DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>404,613</strong></td>
<td>(1,434,362)</td>
<td>402,723</td>
<td>1,211,161</td>
<td></td>
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</table>

**Capital Contributions**

<table>
<thead>
<tr>
<th></th>
<th>August 20</th>
<th>FISCAL YEAR TO DATE</th>
<th>August 19</th>
<th>FISCAL YEAR TO DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>173,859</td>
<td>4,038,775</td>
<td>796,566</td>
<td>12,890,086</td>
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</table>

**Change in Net Assets**

<table>
<thead>
<tr>
<th></th>
<th>August 20</th>
<th>FISCAL YEAR TO DATE</th>
<th>August 19</th>
<th>FISCAL YEAR TO DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>578,472</strong></td>
<td><strong>2,604,413</strong></td>
<td><strong>$1,199,289</strong></td>
<td><strong>14,101,247</strong></td>
<td></td>
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</tbody>
</table>

*Note: Contribution in Aid of Construction (CIAC) includes cash contribution and an dollar valuation of non-cash contributed capital assets.*
<table>
<thead>
<tr>
<th></th>
<th>August 20</th>
<th>FISCAL YEAR TO DATE</th>
<th>August 19</th>
<th>FISCAL YEAR TO DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPERATING REVENUES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>$4,382,117</td>
<td>$36,562,597</td>
<td>$4,175,364</td>
<td>$38,276,313</td>
</tr>
<tr>
<td>Other Revenues</td>
<td>38,253</td>
<td>356,237</td>
<td>35,289</td>
<td>374,141</td>
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<tr>
<td><strong>TOTAL OPERATING REVENUES</strong></td>
<td>4,420,370</td>
<td>36,918,834</td>
<td>4,210,653</td>
<td>38,650,454</td>
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<td><strong>OPERATING EXPENSES:</strong></td>
<td></td>
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<td></td>
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<tr>
<td>Fuel &amp; Purchased Power Expense</td>
<td>1,789,605</td>
<td>16,685,612</td>
<td>1,924,676</td>
<td>17,744,923</td>
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<tr>
<td>Other Production Expense</td>
<td>464,131</td>
<td>4,951,388</td>
<td>568,425</td>
<td>6,403,093</td>
</tr>
<tr>
<td>Transmission, Distrib &amp; Collection</td>
<td>335,075</td>
<td>3,808,985</td>
<td>354,458</td>
<td>3,397,341</td>
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<td>Customer Accounting</td>
<td>69,149</td>
<td>464,846</td>
<td>64,456</td>
<td>702,740</td>
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<tr>
<td>Administrative and General</td>
<td>544,559</td>
<td>5,381,585</td>
<td>426,934</td>
<td>4,929,277</td>
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<tr>
<td>Required Payments to City of NSB</td>
<td>268,770</td>
<td>2,361,093</td>
<td>269,478</td>
<td>2,430,526</td>
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<tr>
<td>Depreciation and Amortization</td>
<td>284,851</td>
<td>3,132,295</td>
<td>260,794</td>
<td>2,892,822</td>
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<tr>
<td><strong>TOTAL OPERATING EXPENSES</strong></td>
<td>3,756,140</td>
<td>36,785,804</td>
<td>3,869,221</td>
<td>38,500,722</td>
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<tr>
<td><strong>OPERATING INCOME(LOSS)</strong></td>
<td>664,230</td>
<td>133,030</td>
<td>341,432</td>
<td>149,732</td>
</tr>
<tr>
<td><strong>NON-OPERATING REVENUES:</strong></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Interest Earnings</td>
<td>2,061</td>
<td>136,895</td>
<td>29,372</td>
<td>336,742</td>
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<tr>
<td>Other Income</td>
<td>41,425</td>
<td>490,447</td>
<td>47,732</td>
<td>578,908</td>
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<td><strong>TOTAL NON-OPERATING INCOME</strong></td>
<td>43,486</td>
<td>627,342</td>
<td>77,104</td>
<td>915,650</td>
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<td><strong>NON-OPERATING EXPENSES:</strong></td>
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<td>Interest Expense</td>
<td>94,524</td>
<td>355,222</td>
<td>10,610</td>
<td>116,710</td>
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<tr>
<td>Other Expenses</td>
<td>11,495</td>
<td>517,865</td>
<td>142,649</td>
<td>340,289</td>
</tr>
<tr>
<td><strong>TOTAL NON-OPERATING EXPENSES</strong></td>
<td>106,019</td>
<td>873,087</td>
<td>153,259</td>
<td>456,999</td>
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<tr>
<td><strong>INCOME BEFORE CONTRIBUTIONS</strong></td>
<td>601,697</td>
<td>(112,715)</td>
<td>265,277</td>
<td>608,383</td>
</tr>
<tr>
<td><strong>CAPITAL CONTRIBUTIONS</strong></td>
<td>3,560</td>
<td>841,221</td>
<td>75,187</td>
<td>2,542,068</td>
</tr>
<tr>
<td><strong>CHANGE IN NET ASSETS</strong></td>
<td>$605,257</td>
<td>$728,506</td>
<td>$340,464</td>
<td>$3,150,451</td>
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</tbody>
</table>

Note: Contribution in Aid of Construction (CIAC) includes cash contribution and an dollar valuation of non-cash contributed capital assets.
## UTILITIES COMMISSION
**CITY OF NEW SMYRNA BEACH, FLORIDA**

**STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)**

**Water System**

For the Eleven Months Ending August 31, 2020

<table>
<thead>
<tr>
<th></th>
<th>August 20</th>
<th>FISCAL YEAR TO DATE</th>
<th>August 19</th>
<th>FISCAL YEAR TO DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPERATING REVENUES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>$678,484</td>
<td>$7,319,151</td>
<td>$684,527</td>
<td>$7,251,209</td>
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<tr>
<td>Other Revenues</td>
<td>24,990</td>
<td>225,202</td>
<td>19,703</td>
<td>218,292</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING REVENUES</strong></td>
<td>703,474</td>
<td>7,544,353</td>
<td>704,230</td>
<td>7,469,501</td>
</tr>
<tr>
<td><strong>OPERATING EXPENSES:</strong></td>
<td></td>
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<tr>
<td>Other Production Expense</td>
<td>218,943</td>
<td>2,369,581</td>
<td>241,949</td>
<td>2,459,756</td>
</tr>
<tr>
<td>Transmission, Distrib. &amp; Collection</td>
<td>71,058</td>
<td>848,946</td>
<td>66,716</td>
<td>872,665</td>
</tr>
<tr>
<td>Customer Accounting</td>
<td>27,960</td>
<td>304,119</td>
<td>28,784</td>
<td>292,572</td>
</tr>
<tr>
<td>Administrative and General</td>
<td>227,113</td>
<td>2,300,055</td>
<td>173,078</td>
<td>1,965,109</td>
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<tr>
<td>Required Payments to City of NSB</td>
<td>41,422</td>
<td>452,958</td>
<td>40,698</td>
<td>446,473</td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>230,213</td>
<td>2,300,101</td>
<td>180,758</td>
<td>1,971,888</td>
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<tr>
<td><strong>TOTAL OPERATING EXPENSES</strong></td>
<td>816,709</td>
<td>8,575,760</td>
<td>731,983</td>
<td>8,008,463</td>
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<tr>
<td><strong>OPERATING INCOME/(LOSS)</strong></td>
<td>(113,235)</td>
<td>(1,031,407)</td>
<td>(27,753)</td>
<td>(538,962)</td>
</tr>
<tr>
<td><strong>NON-OPERATING REVENUES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Earnings</td>
<td>1,029</td>
<td>74,355</td>
<td>16,102</td>
<td>184,258</td>
</tr>
<tr>
<td>Other Income</td>
<td>16,028</td>
<td>76,939</td>
<td>9,435</td>
<td>89,398</td>
</tr>
<tr>
<td><strong>TOTAL NON-OPERATING INCOME</strong></td>
<td>17,057</td>
<td>151,294</td>
<td>25,537</td>
<td>273,656</td>
</tr>
<tr>
<td><strong>NON-OPERATING EXPENSES:</strong></td>
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<td></td>
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</tr>
<tr>
<td>Interest Expense</td>
<td>68,988</td>
<td>289,877</td>
<td>17,225</td>
<td>189,479</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>1,207</td>
<td>292,761</td>
<td>1,980</td>
<td>71,170</td>
</tr>
<tr>
<td><strong>TOTAL NON-OPERATING EXPENSES</strong></td>
<td>70,195</td>
<td>582,638</td>
<td>19,205</td>
<td>260,649</td>
</tr>
<tr>
<td><strong>INCOME BEFORE CONTRIBUTIONS</strong></td>
<td>(166,373)</td>
<td>(1,462,751)</td>
<td>(21,421)</td>
<td>(525,955)</td>
</tr>
<tr>
<td><strong>CAPITAL CONTRIBUTIONS</strong></td>
<td>81,973</td>
<td>1,513,172</td>
<td>212,100</td>
<td>4,083,322</td>
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<tr>
<td><strong>CHANGE IN NET ASSETS</strong></td>
<td>(84,400)</td>
<td>$50,421</td>
<td>$190,679</td>
<td>$3,557,367</td>
</tr>
</tbody>
</table>

Note: Contribution in Aid of Construction (CIAC) includes cash contribution and an dollar valuation of non-cash contributed capital assets.
<table>
<thead>
<tr>
<th></th>
<th>August 20</th>
<th>FISCAL YEAR TO DATE</th>
<th>August 19</th>
<th>FISCAL YEAR TO DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPERATING REVENUES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>$888,236</td>
<td>$9,462,382</td>
<td>$868,846</td>
<td>$9,172,117</td>
</tr>
<tr>
<td>Other Revenues</td>
<td>741</td>
<td>19,340</td>
<td>792</td>
<td>8,289</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING REVENUES</strong></td>
<td>888,977</td>
<td>9,481,722</td>
<td>869,638</td>
<td>9,180,406</td>
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<tr>
<td><strong>OPERATING EXPENSES:</strong></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transmission, Distrib. &amp; Collection</td>
<td>315,083</td>
<td>3,050,769</td>
<td>239,333</td>
<td>2,868,671</td>
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<td>Customer Accounting</td>
<td>22,799</td>
<td>244,134</td>
<td>23,027</td>
<td>233,798</td>
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<td>Administrative and General</td>
<td>247,994</td>
<td>2,479,530</td>
<td>187,955</td>
<td>2,116,231</td>
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<tr>
<td>Required Payments to City of NSB</td>
<td>52,146</td>
<td>568,480</td>
<td>50,495</td>
<td>547,710</td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>240,367</td>
<td>2,525,533</td>
<td>206,626</td>
<td>2,208,591</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING EXPENSES</strong></td>
<td>878,389</td>
<td>8,868,446</td>
<td>707,436</td>
<td>7,975,001</td>
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<tr>
<td><strong>OPERATING INCOME(LOSS)</strong></td>
<td>10,588</td>
<td>613,276</td>
<td>162,202</td>
<td>1,205,405</td>
</tr>
<tr>
<td><strong>NON-OPERATING REVENUES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Earnings</td>
<td>948</td>
<td>50,041</td>
<td>16,349</td>
<td>172,254</td>
</tr>
<tr>
<td>Other Income</td>
<td>30,701</td>
<td>93,396</td>
<td>19,299</td>
<td>91,950</td>
</tr>
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<td><strong>TOTAL NON-OPERATING INCOME</strong></td>
<td>31,649</td>
<td>143,437</td>
<td>35,648</td>
<td>264,204</td>
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<tr>
<td><strong>NON-OPERATING EXPENSES:</strong></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Interest Expense</td>
<td>66,856</td>
<td>358,626</td>
<td>28,146</td>
<td>309,606</td>
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<tr>
<td>Other Expenses</td>
<td>6,092</td>
<td>256,987</td>
<td>10,838</td>
<td>31,266</td>
</tr>
<tr>
<td><strong>TOTAL NON-OPERATING EXPENSES</strong></td>
<td>72,948</td>
<td>615,613</td>
<td>38,984</td>
<td>340,872</td>
</tr>
<tr>
<td>INCOME BEFORE CONTRIBUTIONS</td>
<td>(30,711)</td>
<td>141,100</td>
<td>158,866</td>
<td>1,128,737</td>
</tr>
<tr>
<td>CAPITAL CONTRIBUTIONS</td>
<td>88,325</td>
<td>1,684,382</td>
<td>509,279</td>
<td>6,264,696</td>
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<tr>
<td><strong>CHANGE IN NET ASSETS</strong></td>
<td>$57,614</td>
<td>$1,825,482</td>
<td>$668,145</td>
<td>$7,393,433</td>
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</tbody>
</table>

Note: Contribution in Aid of Construction (CIAC) includes cash contribution and an dollar valuation of non-cash contributed capital assets.
### UTILITIES COMMISSION
CITY OF NEW SMYRNA BEACH, FLORIDA
STATUS REPORT OF SPECIAL FUNDS
Aug-20

<table>
<thead>
<tr>
<th>Line No</th>
<th>Fund 60</th>
<th>Fund 61</th>
<th>Fund 62</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unrestricted R&amp;R</td>
<td>Restricted R&amp;R</td>
<td>Infrastructure</td>
</tr>
<tr>
<td>1</td>
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<td>8/1/2020</td>
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<td>2</td>
<td>Monthly Transfer From Operations</td>
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<td>3</td>
<td>Connection Fees</td>
<td>0.00</td>
<td>149,740.00</td>
</tr>
<tr>
<td>4</td>
<td>Extensions</td>
<td>0.00</td>
<td>0.00</td>
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<tr>
<td>5</td>
<td>Water Meter Set Fees</td>
<td>15,650.00</td>
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<tr>
<td>6</td>
<td>Fire Detector/Hydrant/General</td>
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<td>7</td>
<td>General Electric/URD Conversions</td>
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<tr>
<td>8</td>
<td>Renewable Energy Contributions</td>
<td>18.00</td>
<td>0.00</td>
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<tr>
<td>9</td>
<td>Journal Entries</td>
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<tr>
<td>10</td>
<td>Interest (Investment)</td>
<td>0.00</td>
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<tr>
<td>11</td>
<td>Transfer Between Funds</td>
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<tr>
<td>12</td>
<td>Adjust Differences</td>
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<td>0.00</td>
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<td>13</td>
<td>Inventory Issued</td>
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<tr>
<td>14</td>
<td>Capitalized Labor</td>
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</tr>
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<td>15</td>
<td>Capitalized Fringes</td>
<td>(18,488.30)</td>
<td>0.00</td>
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<tr>
<td>16</td>
<td>Checks Issued</td>
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<td>Account Payable</td>
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<tr>
<td>18</td>
<td>Journal Entries (Investment Premium)</td>
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<td>0.00</td>
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<tr>
<td>19</td>
<td>Balance Per Balance Sheet</td>
<td>8/31/2020</td>
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<tr>
<td>20</td>
<td>Committed Funds</td>
<td>($9,313,808.30)</td>
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<tr>
<td>21</td>
<td>Accruals/Encumbrances</td>
<td>133,279.49</td>
<td>15,165.00</td>
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<tr>
<td>22</td>
<td>Total Committed Or Encumbered</td>
<td>($9,180,528.81)</td>
<td>$229,178.76</td>
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<tr>
<td>23</td>
<td>Unallocated Balance</td>
<td>8/31/2020</td>
<td>$17,284,339.81</td>
</tr>
</tbody>
</table>
Utilities Commission,  
City of New Smyrna Beach, Florida  
Capital Improvements Project Activity  
8/31/2020  
($ Thousands)

<table>
<thead>
<tr>
<th>Project ID</th>
<th>Project Name</th>
<th>PRIOR YEARS THRU 9/30/2019</th>
<th>YE BDG</th>
<th>YE FCST</th>
<th>VARI</th>
<th>MO. BDG</th>
<th>MO. ACTL</th>
<th>VARI</th>
<th>YTD BDG</th>
<th>YTD ACTL</th>
<th>VARI</th>
<th>YTD ACTL as % of YE FCST</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prior Years Administrative/IT/Central Services</td>
<td>459</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>123</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Prior Years Electric</td>
<td>1,027</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>201</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Prior Years Water</td>
<td>2,405</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>133</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Prior Years Wastewater</td>
<td>1,493</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>69</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Total - Prior Years</strong></td>
<td><strong>$5,383</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td><strong>$526</strong></td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Transfer to Plant in Service</strong></td>
<td>$1,623</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td><strong>$2,048</strong></td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

| Administrative/IT/Central Services | | | | | | | | | | | |
| Annual Projects | - | 2,367 | 1,506 | 861 | 30 | 79 | (49) | 1,867 | 921 | 946 | 61% |
| Major Projects | 401 | 2,488 | 813 | 1,675 | 82 | 4 | 78 | 2,422 | 645 | 1,777 | 79% |
| **Subtotal** | **$401** | **$4,855** | **$2,319** | **$2,535** | **$112** | **83** | **$29** | **$4,289** | **$1,566** | **$2,723** | **68%** |

| Electric | | | | | | | | | | | |
| Annual Projects | 102 | 3,505 | 3,353 | 152 | 162 | 231 | (69) | 2,335 | 2,551 | (216) | 76% |
| Major Projects | 2,721 | 8,129 | 7,372 | 757 | 244 | 310 | (66) | 7,529 | 4,460 | 3,068 | 60% |
| **Subtotal** | **$7,823** | **$11,034** | **$10,725** | **$908** | **$406** | **$541** | **(8135)** | **$9,864** | **$7,011** | **$2,853** | **65%** |

| Water | | | | | | | | | | | |
| Annual Projects | - | 1,062 | 1,077 | (15) | - | 77 | (77) | 356 | 828 | (472) | 77% |
| Major Projects | 434 | 1,299 | 773 | 526 | 92 | 213 | (121) | 1,188 | 390 | 798 | 50% |
| **Subtotal** | **$434** | **$2,361** | **$1,850** | **$511** | **$92** | **$290** | **(8198)** | **$1,543** | **$1,218** | **$326** | **66%** |

| Wastewater | | | | | | | | | | | |
| Annual Projects | - | 592 | 444 | 148 | - | 27 | (27) | 412 | 212 | 200 | 48% |
| Major Projects | 1,306 | 5,439 | 5,917 | 2,522 | 658 | 164 | 494 | 4,623 | 2,383 | 2,241 | 82% |
| **Subtotal** | **$1,306** | **$6,031** | **$3,361** | **$2,670** | **$658** | **$191** | **(467)** | **$5,035** | **$2,595** | **$2,441** | **77%** |

| FY2020 CIP Budget (excluding Infrastructure) | | | | | | | | | | | |
| $4,934 | $19,922 | $13,297 | $6,625 | $1,150 | $1,007 | $143 | $15,880 | $10,297 | $5,583 | 77% |
| **Transferred to Plant in Service** | $2,664 | $843 | $1,821 | $294 | $1,618 | | | | | | |
Utilities Commission
Statement of Cash Flows
For the 11 Months Ended
August 31, 2020

<table>
<thead>
<tr>
<th>Month</th>
<th>Cash Flow from Operating Activities (Direct Method)</th>
<th>Fiscal Year to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cash Collected from Revenues</td>
<td>$6,036,736</td>
</tr>
<tr>
<td></td>
<td>Cash Payments for Expenses</td>
<td>($4,831,828)</td>
</tr>
<tr>
<td></td>
<td>Interest &amp; Other Non-Operating Expenses</td>
<td>($249,162)</td>
</tr>
<tr>
<td></td>
<td>Non-Operating Income</td>
<td>$92,192</td>
</tr>
<tr>
<td></td>
<td>Capital Contributions</td>
<td>$173,859</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$1,221,797</td>
</tr>
<tr>
<td></td>
<td>Cash Flow from Investing Activities</td>
<td>($815,420)</td>
</tr>
<tr>
<td></td>
<td>Acquisition of Plant, Property &amp; Equipment</td>
<td>($10,508,283)</td>
</tr>
<tr>
<td></td>
<td>Property Disposals</td>
<td>($283,449)</td>
</tr>
<tr>
<td></td>
<td>Restricted Fund Liabilities</td>
<td>($966,170)</td>
</tr>
<tr>
<td></td>
<td>Other NonCurrent Liabilities</td>
<td>$3,607</td>
</tr>
<tr>
<td></td>
<td></td>
<td>($381,961)</td>
</tr>
<tr>
<td></td>
<td>Cash Flow from Financing Activities</td>
<td>$4,057</td>
</tr>
<tr>
<td></td>
<td>Payment of Revenue Certificates</td>
<td>$57,956,420</td>
</tr>
<tr>
<td></td>
<td>Issuance of Revenue Certificates</td>
<td>$0</td>
</tr>
<tr>
<td></td>
<td>Payment of Revolving Loans</td>
<td>$0</td>
</tr>
<tr>
<td></td>
<td>Deferred Assets</td>
<td>$1,115</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$5,172</td>
</tr>
<tr>
<td></td>
<td>Net Increase (Decrease) in Cash</td>
<td>($395,008)</td>
</tr>
<tr>
<td></td>
<td>Cash Balance Beginning of Period</td>
<td>$100,296,107</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$58,082,450</td>
</tr>
<tr>
<td></td>
<td>Cash Balance August 31, 2020</td>
<td>$100,691,115</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$100,691,115</td>
</tr>
</tbody>
</table>
## UTILITIES COMMISSION
CITY OF NEW SMYRNA BEACH, FLORIDA
FORECAST REPORT
For the Eleven Months Ending August 31, 2020
COMBINED SYSTEM

### 1. Revenues:

<table>
<thead>
<tr>
<th></th>
<th>TOTAL</th>
<th>BUDGET August 19</th>
<th>ACTUAL August 19</th>
<th>BUDGET FISCAL YEAR-TO-DATE</th>
<th>ACTUAL FISCAL YEAR-TO-DATE</th>
<th>FAVORABLE (UNFAVORABLE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>4. Reclaimed Water</td>
<td>10,117,285</td>
<td>840,011</td>
<td>901,655</td>
<td>9,272,588</td>
<td>9,420,054</td>
<td>$147,466</td>
</tr>
</tbody>
</table>

**5. Total Revenues**

$66,643,738

$6,486,976

$5,842,201

$60,171,332

$54,217,824

($5,953,508)

### 6. Other Revenue Sources:

<table>
<thead>
<tr>
<th></th>
<th>TOTAL</th>
<th>BUDGET August 19</th>
<th>ACTUAL August 19</th>
<th>BUDGET FISCAL YEAR-TO-DATE</th>
<th>ACTUAL FISCAL YEAR-TO-DATE</th>
<th>FAVORABLE (UNFAVORABLE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>8. R &amp; R Contribution</td>
<td>3,616,950</td>
<td>301,413</td>
<td>173,859</td>
<td>3,315,538</td>
<td>4,038,775</td>
<td>$723,237</td>
</tr>
<tr>
<td>9. Infrastructure Contribution</td>
<td>225,000</td>
<td>18,750</td>
<td>0</td>
<td>206,250</td>
<td>0</td>
<td>($206,250)</td>
</tr>
</tbody>
</table>

**11. Total Other Sources**

$3,841,950

$320,163

$173,859

$3,521,788

$4,038,775

($516,987)

**12. Balance**

$70,485,688

$6,807,139

$6,016,060

$63,693,120

$58,256,599

($5,436,521)

### 13. Operation & Maintenance Expenses:

<table>
<thead>
<tr>
<th></th>
<th>TOTAL</th>
<th>BUDGET August 19</th>
<th>ACTUAL August 19</th>
<th>BUDGET FISCAL YEAR-TO-DATE</th>
<th>ACTUAL FISCAL YEAR-TO-DATE</th>
<th>FAVORABLE (UNFAVORABLE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>15. Electric Operations</td>
<td>10,926,000</td>
<td>883,804</td>
<td>808,411</td>
<td>9,849,988</td>
<td>8,917,863</td>
<td>$932,125</td>
</tr>
<tr>
<td>18. Administration/Supplemental Benefits</td>
<td>3,272,451</td>
<td>265,022</td>
<td>208,903</td>
<td>2,952,114</td>
<td>2,093,198</td>
<td>$858,916</td>
</tr>
<tr>
<td>19. Central Services/HR</td>
<td>7,025,700</td>
<td>562,756</td>
<td>430,215</td>
<td>6,299,369</td>
<td>5,450,878</td>
<td>$848,491</td>
</tr>
<tr>
<td>20. Engineering</td>
<td>1,771,100</td>
<td>138,508</td>
<td>183,300</td>
<td>1,573,761</td>
<td>1,592,596</td>
<td>($18,835)</td>
</tr>
</tbody>
</table>

**22. Total O&M Expenses**

$54,883,271

$4,449,429

$4,333,469

$49,539,776

$42,889,549

($6,650,227)

**23. Balance**

$15,602,417

$2,357,710

$1,682,591

$14,153,344

$15,367,050

$1,213,706

### 24. To Sinking Fund:

<table>
<thead>
<tr>
<th></th>
<th>TOTAL</th>
<th>BUDGET August 19</th>
<th>ACTUAL August 19</th>
<th>BUDGET FISCAL YEAR-TO-DATE</th>
<th>ACTUAL FISCAL YEAR-TO-DATE</th>
<th>FAVORABLE (UNFAVORABLE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>25. 2009 Certificate</td>
<td>1,991,390</td>
<td>165,849</td>
<td>0</td>
<td>1,825,441</td>
<td>1,328,355</td>
<td>$497,086</td>
</tr>
<tr>
<td>27. 2013A Certificate</td>
<td>1,231,289</td>
<td>102,008</td>
<td>0</td>
<td>1,129,601</td>
<td>822,710</td>
<td>$305,891</td>
</tr>
<tr>
<td>28. 2013B Certificate</td>
<td>905,452</td>
<td>75,454</td>
<td>0</td>
<td>829,998</td>
<td>604,888</td>
<td>$222,110</td>
</tr>
<tr>
<td>29. 2020 Bond Refunding</td>
<td>0</td>
<td>0</td>
<td>315,611</td>
<td>0</td>
<td>947,433</td>
<td>($947,433)</td>
</tr>
<tr>
<td>30. 2020 Bond</td>
<td>0</td>
<td>0</td>
<td>174,251</td>
<td>0</td>
<td>522,752</td>
<td>($322,752)</td>
</tr>
</tbody>
</table>

**31. Total Debt Service**

$4,128,141

$344,611

$490,062

$3,784,130

$4,226,138

($442,008)

**32. Balance**

$11,474,276

$2,013,699

$1,192,529

$10,369,214

$11,140,912

$771,698

### 33. Transfer to Capital Improvement:

<table>
<thead>
<tr>
<th></th>
<th>TOTAL</th>
<th>BUDGET August 19</th>
<th>ACTUAL August 19</th>
<th>BUDGET FISCAL YEAR-TO-DATE</th>
<th>ACTUAL FISCAL YEAR-TO-DATE</th>
<th>FAVORABLE (UNFAVORABLE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>34. Transfer to R &amp; R - Contribution</td>
<td>3,224,152</td>
<td>268,679</td>
<td>268,679</td>
<td>2,955,474</td>
<td>2,665,474</td>
<td>$0</td>
</tr>
<tr>
<td>35. Transfer to R &amp; R - Restricted Contribution</td>
<td>0</td>
<td>0</td>
<td>149,740</td>
<td>0</td>
<td>1,938,236</td>
<td>($1,938,236)</td>
</tr>
<tr>
<td>36. Additional Required</td>
<td>3,895,529</td>
<td>324,627</td>
<td>0</td>
<td>3,570,901</td>
<td>0</td>
<td>$3,570,901</td>
</tr>
<tr>
<td>37. Contributed Capital &amp; Easement</td>
<td>150,000</td>
<td>12,500</td>
<td>0</td>
<td>137,500</td>
<td>1,178,571</td>
<td>($1,041,071)</td>
</tr>
<tr>
<td>38. Transfer to Infrastructure - Contribution</td>
<td>225,000</td>
<td>18,750</td>
<td>0</td>
<td>206,250</td>
<td>0</td>
<td>$206,250</td>
</tr>
</tbody>
</table>

**40. Total to Capital Improvement**

$7,494,681

$624,556

$418,419

$6,870,125

$6,070,281

$799,844

### 41. Balance:

<table>
<thead>
<tr>
<th>TOTAL</th>
<th>BUDGET August 19</th>
<th>ACTUAL August 19</th>
<th>BUDGET FISCAL YEAR-TO-DATE</th>
<th>ACTUAL FISCAL YEAR-TO-DATE</th>
<th>FAVORABLE (UNFAVORABLE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>39. Transfer to City</td>
<td>3,979,595</td>
<td>398,257</td>
<td>362,338</td>
<td>3,584,557</td>
<td>3,382,531</td>
</tr>
<tr>
<td>43. Balance</td>
<td>0</td>
<td>990,886</td>
<td>411,772</td>
<td>(85,468)</td>
<td>1,688,100</td>
</tr>
</tbody>
</table>

Note: Contribution in Aid of Construction (CIAC) includes a dollar valuation of non-cash contributed capital assets.
## Utilities Commission
**City of New Smyrna Beach, Florida**

**Forecast Report**
For the Eleven Months Ending August 31, 2020

**Electric System**

### 1. Revenues:

<table>
<thead>
<tr>
<th>Description</th>
<th>Budget August 19</th>
<th>Actual August 19</th>
<th>Fiscal Year-to-Date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Budget</strong></td>
<td>$36,089,123</td>
<td>$3,739,627</td>
<td>$3,733,526</td>
</tr>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Direct Sales</strong></td>
<td>(21,122)</td>
<td>(15,237)</td>
<td>(176,671)</td>
</tr>
<tr>
<td><strong>Metered Billings</strong></td>
<td>9,295,671</td>
<td>2,339,582</td>
<td>1,027,672</td>
</tr>
<tr>
<td><strong>Energy Cost Adjustments</strong></td>
<td>723,066</td>
<td>8,887,128</td>
<td>6,681,719</td>
</tr>
<tr>
<td><strong>Load Management Credits</strong></td>
<td>(197,605)</td>
<td>(24,353)</td>
<td>(2,243,017)</td>
</tr>
<tr>
<td><strong>Misc. Operating Revenue</strong></td>
<td>811,679</td>
<td>56,030</td>
<td>548,614</td>
</tr>
<tr>
<td><strong>Non Operating Revenue</strong></td>
<td>430,762</td>
<td>135,807</td>
<td>2,870,027</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$47,789,570</td>
<td>$4,929,855</td>
<td>$4,230,692</td>
</tr>
<tr>
<td><strong>Other Revenue Sources</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>R &amp; R Contributions</strong></td>
<td>905,850</td>
<td>75,300</td>
<td>841,221</td>
</tr>
<tr>
<td><strong>Infrastructure Contribution</strong></td>
<td>75,000</td>
<td>6,250</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Other Sources</strong></td>
<td>$978,950</td>
<td>$81,580</td>
<td>$897,370</td>
</tr>
<tr>
<td><strong>Balance</strong></td>
<td>$48,768,520</td>
<td>$5,011,435</td>
<td>$4,380,102</td>
</tr>
</tbody>
</table>

### 10. Other Revenue Sources:

<table>
<thead>
<tr>
<th>Description</th>
<th>Budget August 19</th>
<th>Actual August 19</th>
<th>Fiscal Year-to-Date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Direct Cost Center</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Purchased Power</strong></td>
<td>21,317,970</td>
<td>2,027,672</td>
<td>1,539,043</td>
</tr>
<tr>
<td><strong>Electric Operations</strong></td>
<td>9,026,000</td>
<td>883,841</td>
<td>9,849,988</td>
</tr>
<tr>
<td><strong>Indirect Cost Centers</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Information Technology</strong></td>
<td>581,256</td>
<td>45,925</td>
<td>517,235</td>
</tr>
<tr>
<td><strong>Human Resources</strong></td>
<td>2,513,750</td>
<td>210,234</td>
<td>2,253,151</td>
</tr>
<tr>
<td><strong>Central Services</strong></td>
<td>681,113</td>
<td>54,966</td>
<td>613,236</td>
</tr>
<tr>
<td><strong>Engineering</strong></td>
<td>771,180</td>
<td>60,779</td>
<td>676,245</td>
</tr>
<tr>
<td><strong>Finance/Customer Service/Materials Management</strong></td>
<td>1,398,795</td>
<td>110,165</td>
<td>896,932</td>
</tr>
<tr>
<td><strong>Total O&amp;M Expenses</strong></td>
<td>$39,600,730</td>
<td>$3,242,405</td>
<td>$3,202,521</td>
</tr>
</tbody>
</table>

### 15. Balance:

<table>
<thead>
<tr>
<th>Description</th>
<th>Budget August 19</th>
<th>Actual August 19</th>
<th>Fiscal Year-to-Date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Direct Cost Center</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Balance</strong></td>
<td>$9,167,790</td>
<td>$1,769,030</td>
<td>$1,031,731</td>
</tr>
<tr>
<td><strong>To Sinking Fund</strong>:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>28 2006 Certificates</td>
<td>1,008,838</td>
<td>84,070</td>
<td>924,768</td>
</tr>
<tr>
<td>29 2020 Bond Refunding</td>
<td>0</td>
<td>0</td>
<td>451,022</td>
</tr>
<tr>
<td>30 2020 Bonding</td>
<td>0</td>
<td>137,075</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Debt Service</strong></td>
<td>$1,008,838</td>
<td>$84,070</td>
<td>$924,768</td>
</tr>
<tr>
<td><strong>Balance</strong></td>
<td>$9,167,790</td>
<td>$1,769,030</td>
<td>$1,031,731</td>
</tr>
</tbody>
</table>

### 33. Transfer to R & R - Contribution

<table>
<thead>
<tr>
<th>Description</th>
<th>Budget August 19</th>
<th>Actual August 19</th>
<th>Fiscal Year-to-Date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance</strong></td>
<td>$2,870,027</td>
<td>$1,244,216</td>
<td>$655,077</td>
</tr>
<tr>
<td><strong>Total to Capital Improvement</strong></td>
<td>$5,288,925</td>
<td>$440,744</td>
<td>$152,802</td>
</tr>
<tr>
<td><strong>Balance</strong></td>
<td>$2,870,027</td>
<td>$306,677</td>
<td>$208,851</td>
</tr>
</tbody>
</table>

Note: Contribution in Aid of Construction (CIAC) includes a dollar valuation of non-cash contributed capital assets.
UTILITIES COMMISSION
CITY OF NEW SMYRNA BEACH, FLORIDA
FORECAST REPORT
For the Eleven Months Ending August 31, 2020
WATER SYSTEM

| 3. Hydrant Rental | 0 | 0 | 0 | 0 | 33,000 | $33,000 | |
| 5. Non-Operating Revenue | 258,309 | 21,526 | 16,839 | 236,783 | 229,283 | 0 | |
| 6. Total Revenues | 8,736,883 | 717,110 | 709,853 | 7,995,103 | 7,537,299 | $(457,804) |

| 7. Other Revenue Sources: | 8. R & R Contribution | 1,380,000 | 115,000 | 81,973 | 1,265,000 | 1,513,172 | $(248,172) |
| 9. Infrastructure Contribution | 75,000 | 6,250 | 0 | 68,750 | 0 | $(68,750) |
| 10. Total Other Sources | 1,455,000 | 121,250 | 81,973 | 1,333,750 | 1,513,172 | $(179,422) |
| 11. Balance | 10,191,883 | 838,360 | 791,826 | 9,328,853 | 9,050,471 | $(278,382) |

| 14. Administration | 180,584 | 14,442 | 11,279 | 161,776 | 135,476 | $26,300 |
| 15. Information Technology | 353,142 | 32,099 | 19,163 | 356,272 | 219,865 | $136,407 |
| 16. Human Resources | 1,346,852 | 107,804 | 95,636 | 1,207,045 | 1,022,250 | $184,795 |
| 17. Central Services | 359,805 | 28,800 | 31,702 | 322,401 | 280,276 | $42,125 |
| 20. Total O&M Expenses | 7,846,817 | 619,592 | 545,074 | 6,950,200 | 5,822,700 | $1,157,500 |

| 22. To Sinking Fund: | 23. 2009 Certificates | 312,449 | 26,037 | 0 | 286,412 | 208,419 | $77,993 |
| 24. 2013B Certificates | 905,452 | 75,454 | 0 | 820,998 | 604,888 | $225,110 |
| 25. 2020 Bond Refunding | 0 | 0 | 89,324 | 0 | 239,650 | $(239,650) |
| 26. 2020 Bond | 0 | 0 | 41,472 | 0 | 124,415 | $(124,415) |
| 27. Total Debt Service | 1,217,901 | 101,491 | 138,796 | 1,116,410 | 1,171,272 | $(56,962) |
| 28. Balance | 1,127,165 | 117,277 | 115,956 | 1,123,234 | 1,050,399 | $818,156 |

| 29. Transfer to R & R - Contribution | 623,869 | 51,089 | 3,600 | 571,880 | 571,880 | 0 |
| 30. Transfer to R & R - Restricted Contribution | 0 | 0 | 3,000 | 0 | 0 | (30,000) |
| 31. Additional Required | 135,870 | (11,323) | 0 | 124,548 | 0 | $(124,548) |
| 32. Contributed Capital & Easement | 0 | 0 | 45,833 | 0 | 342,829 | $(396,662) |
| 33. Transfer to Infrastructure - Contribution | 75,000 | 6,250 | 0 | 68,750 | 0 | $68,750 |
| 34. Total to Capital Improvement | 612,999 | 58,083 | 113,529 | 561,915 | 1,718,035 | $(1,156,120) |
| 35. Balance | 514,166 | 66,194 | 2,327 | 670,328 | 332,364 | $(337,964) |
| 36. Transfer to City | 514,166 | 42,162 | 41,422 | 470,461 | 452,958 | $17,503 |
| 37. Balance | 0 | 24,032 | (39,095) | 199,867 | (120,594) | $(320,461) |

Note: Contribution in Aid of Construction (CIAC) includes a dollar valuation of non-cash contributed capital assets.
### UTILITIES COMMISSION
CITY OF NEW SMYRNA BEACH, FLORIDA
FORECAST REPORT
For the Eleven Months Ending August 31, 2020
RECLAIMED WATER

1. Revenues:

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Budget</th>
<th>Actual</th>
<th>Year-to-Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Sales</td>
<td>$9,900,701</td>
<td>$821,962</td>
<td>$868,331</td>
</tr>
<tr>
<td>3. Misc. Operating Revenue</td>
<td>9,042</td>
<td>678</td>
<td>6,299</td>
</tr>
<tr>
<td>4. Non-Operating Revenue</td>
<td>207,541</td>
<td>17,295</td>
<td>31,645</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td><strong>10,117,284</strong></td>
<td><strong>901,654</strong></td>
<td><strong>9,272,588</strong></td>
</tr>
</tbody>
</table>

2. Other Revenue Sources:

<table>
<thead>
<tr>
<th>Sources</th>
<th>Budget</th>
<th>Actual</th>
<th>Year-to-Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>7. R &amp; R Contribution</td>
<td>1,333,000</td>
<td>111,083</td>
<td>1,221,917</td>
</tr>
<tr>
<td>8. Infrastructure Contribution</td>
<td>75,000</td>
<td>6,250</td>
<td>68,750</td>
</tr>
<tr>
<td><strong>Total Other Sources</strong></td>
<td><strong>1,408,000</strong></td>
<td><strong>117,333</strong></td>
<td><strong>1,290,667</strong></td>
</tr>
</tbody>
</table>

### Balance:

<table>
<thead>
<tr>
<th>Balance</th>
<th>Budget</th>
<th>Actual</th>
<th>Year-to-Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>11. Balance</td>
<td>11,525,284</td>
<td>957,344</td>
<td>10,563,255</td>
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</tbody>
</table>

### Operation & Maintenance Expenses:

12. Operation & Maintenance Expenses:

<table>
<thead>
<tr>
<th>Expense Category</th>
<th>Budget</th>
<th>Actual</th>
<th>Year-to-Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>13. Reclaimed Water Operations</td>
<td>3,478,700</td>
<td>271,598</td>
<td>314,545</td>
</tr>
<tr>
<td>14. Administration</td>
<td>198,011</td>
<td>15,836</td>
<td>12,511</td>
</tr>
<tr>
<td>15. Information Technology</td>
<td>508,772</td>
<td>41,540</td>
<td>24,799</td>
</tr>
<tr>
<td>16. Human Resources</td>
<td>1,700,648</td>
<td>140,145</td>
<td>95,787</td>
</tr>
<tr>
<td>17. Central Services</td>
<td>373,832</td>
<td>28,007</td>
<td>38,587</td>
</tr>
<tr>
<td>18. Engineering</td>
<td>652,771</td>
<td>43,434</td>
<td>59,012</td>
</tr>
<tr>
<td>19. Finance/Customer Service</td>
<td>573,389</td>
<td>43,634</td>
<td>508,796</td>
</tr>
<tr>
<td><strong>Total O&amp;M Expenses</strong></td>
<td><strong>7,435,723</strong></td>
<td><strong>587,431</strong></td>
<td><strong>6,616,365</strong></td>
</tr>
</tbody>
</table>

### Capital Improvement:

<table>
<thead>
<tr>
<th>Capital Improvement</th>
<th>Budget</th>
<th>Actual</th>
<th>Year-to-Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>35. Total to Capital Improvement</td>
<td>1,592,757</td>
<td>132,731</td>
<td>151,989</td>
</tr>
</tbody>
</table>

### Balance:

<table>
<thead>
<tr>
<th>Balance</th>
<th>Budget</th>
<th>Actual</th>
<th>Year-to-Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>36. Balance</td>
<td>595,402</td>
<td>49,418</td>
<td>545,984</td>
</tr>
<tr>
<td>37. Transfer to City</td>
<td>565,402</td>
<td>49,418</td>
<td>545,984</td>
</tr>
<tr>
<td>38. Balance</td>
<td>0</td>
<td>29,314</td>
<td>197,927</td>
</tr>
</tbody>
</table>

Note: Contribution in Aid of Construction (CIAC) includes a dollar valuation of non-cash contributed capital assets.
<table>
<thead>
<tr>
<th>Department</th>
<th>TOTAL BUDGET</th>
<th>MONTH BUDGET</th>
<th>ACTUAL</th>
<th>YEAR-TO-DATE BUDGET</th>
<th>ACTUAL</th>
<th>VARIANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>$3,272,451</td>
<td>$265,022</td>
<td>$208,903</td>
<td>$2,952,114</td>
<td>$2,093,198</td>
<td>$858,916</td>
</tr>
<tr>
<td>Central Services/HR</td>
<td>7,025,700</td>
<td>562,756</td>
<td>539,676</td>
<td>6,299,369</td>
<td>5,450,878</td>
<td>848,491</td>
</tr>
<tr>
<td>Electric Operations</td>
<td>32,243,970</td>
<td>2,654,158</td>
<td>2,598,016</td>
<td>29,353,367</td>
<td>25,603,475</td>
<td>3,749,892</td>
</tr>
<tr>
<td>Water &amp; Reclaimed Water</td>
<td>7,950,800</td>
<td>621,813</td>
<td>603,895</td>
<td>7,035,563</td>
<td>6,256,911</td>
<td>778,652</td>
</tr>
<tr>
<td>Engineering</td>
<td>1,771,100</td>
<td>139,568</td>
<td>183,300</td>
<td>1,573,761</td>
<td>1,592,596</td>
<td>(18,835)</td>
</tr>
<tr>
<td>Finance/Customer Service/Materials Management</td>
<td>2,619,250</td>
<td>206,113</td>
<td>199,679</td>
<td>2,325,602</td>
<td>1,892,490</td>
<td>433,112</td>
</tr>
<tr>
<td><strong>Total Budget</strong></td>
<td><strong>$54,883,271</strong></td>
<td><strong>$4,449,430</strong></td>
<td><strong>$4,333,469</strong></td>
<td><strong>$49,539,776</strong></td>
<td><strong>$42,889,548</strong></td>
<td><strong>$6,650,228</strong></td>
</tr>
</tbody>
</table>
Reclaimed Water

Revenues

$1,000,000
$900,000
$800,000

$700,000
$600,000
$400,000
$200,000

O & M Expenses

$1,000,000
$800,000
$600,000
$400,000
$200,000

Balance

$300,000
$200,000
$100,000
$0

($100,000)
($200,000)
($300,000)
SUBJECT: Balanced Scorecard and Enterprise Metrics - August 2020

SUMMARY:

RECOMMENDED ACTION:
Detailed monthly performance measurement reporting - no action required.

GM/CEO Joseph Bunch
UTILITIES COMMISSION,
CITY OF NEW SMYRNA BEACH, FLORIDA
BALANCED SCORECARD
FY 2020
PERSPECTIVE

OCT

NOV

DEC

JAN

FEB

MAR

APR

MAY

JUN

JUL

AUG

0
0
0
0

0
0
2
0

0
0
0
1

1
0
1
1

0
0
0
0

0
0
2
0

0
0
0
0

0
0
0
0

0
0
0
0

0
0
0
0

1
0
0
3

3.37
0.08
44.08

1.46
0.02
94.10

2.99
0.09
32.03

12.52
0.19
67.00

3.14
0.07
43.93

7.58
0.16
47.64

SEP

YTD
RATE

YE
FCST

TARGET

SAFETY & RISK
OSHA Incident
OSHA Severity Rate
Preventable Motor Vehicle Accidents
Third Party Claims

0.61
0.00
0.063
0.017

0.56
0.00
0.063
0.007

2.5
7.0
0.030

<
<
<

MONITOR

ELECTRIC
Electric Reliability
SAIDI
SAIFI
CAIDI
Financial
EL O&M Cost/Customer
EL Avg Capital Cost/Customer

20.31
0.45
45.14

1.08
0.01
110.51

5.72
0.24
23.88
$
$

1.35
0.01
151.95

573
124

$
$

568
248

8.86
0.08
113.08
$
$

586
210

68.38
1.40
48.84
$
$

586
210

79.47
1.48
53.70
$
$

598
247

<
<
<

100.47
0.12
73.99

< $

712

MONITOR

WATER RESOURCES
Water Resources Reliability
Gross Water Loss (gal/connection/day)
WR Major Breaks/100 Miles
WR Break Repair Time (hr/100 miles)
WW Major Breaks/100 Miles
WW Break Repair Time (hr/100 miles)
Financial
WR O&M Cost/Customer
WW O&M Cost/Customer
WR/WW Avg Capital Cost/Customer

23.46
0.00
0.00
0.00
0.00

21.67
0.00
0.00
0.00
0.00

15.57
1.00
0.86
0.00
0.00
$
$
$

15.34
2.00
1.04
0.00
0.00

13.47
1.00
0.23
0.00
0.00

208
237
49

18.04
0.00
0.00
0.00
0.00
$
$
$

16.36
0.00
0.00
0.00
0.00

19.63
0.00
0.00
0.00
0.00

232
249
67

19.32
1.00
0.34
0.00
0.00
$
$
$

18.60
0.00
0.00
0.00
0.00

15.40
0.00
0.00
0.00
0.00

242
263
89

18.60
1.56
2.47
0.00
0.00
$
$
$

242
263
89

11.93
1.88
2.94
0.48
0.96
$
$
$

243
266
98

24.96
4.00
8.00
1.91
2.87

<
<
<
<
<
< $
< $

299
324

MONITOR

CUSTOMER SERVICE
Customer Service
Customer Service Level
Abandoned Call Rate
Average Speed to Answer
Billing & Collections
Percent of Meters Read - EL
Percent of Meters Read - WR
Percent of Re-reads - combined
Estimated Bills
Uncollectible Rev. as % of Billed Rev.

83.3%
5.4%
121

80.3%
5.8%
135

74.9%
7.7%
171

85.3%
5.0%
108

87.8%
2.4%
73

97.4%
0.5%
33

97.0%
0.7%
24

98.4%
0.9%
27

97.9%
0.4%
33

86.3%
3.0%
101

95.5%
0.8%
56

90.0%
3.0%
80

89.0%
3.1%
83

>
<
<

85.0%
7.0%
106

99.90%
98.58%
0.66%
0.17%
0.17%

99.90%
98.73%
0.64%
0.11%
0.15%

99.90%
98.96%
0.51%
0.09%
0.13%

99.92%
99.14%
0.40%
0.10%
0.09%

99.93%
99.15%
0.41%
0.07%
0.18%

99.93%
98.68%
0.64%
0.07%
0.10%

99.95%
98.88%
0.53%
0.06%
0.10%

99.96%
98.88%
0.52%
0.07%
0.15%

99.94%
98.83%
0.56%
0.08%
0.10%

99.87%
98.89%
0.53%
0.15%
0.11%

99.92%
98.79%
0.57%
0.12%
0.16%

99.92%
98.86%
0.54%
0.10%
0.13%

99.92%
98.90%
0.55%
0.10%
0.13%

>
>
<
<
<

99.90%
98.50%
0.75%
0.25%
0.25%

<
<

8
20

ORGANIZATIONAL CAPACITY
Materials Management
Avg. # of day to issue PO <$75,000
Avg. # of day to issue PO >$75,000
Human Resources
Employee Count (Actual vs. Budget)
Average Recruitment Time
Information Technology
Cybersecurity Training - Participation
Help Desk Ticket Resolution Rate

3
3

3
6

3
5

3
2

3
2

2
2

2
2

2
2

2
2

1
1

1
1

2
3

3
3

(13)
15

(12)
40

(13)
52

(14)
65

(16)
69

(12)
92

(14)
75

(16)
78

(16)
47

(16)
49

(16)
60

(14)
58

(15)
57

<

60

100.00%
94.94%

81.00%
96.80%

88.00%
94.42%

94.00%
95.59%

95.00%
93.67%

74.00%
97.97%

84.00%
95.35%

82.00%
95.72%

91.00%
94.69%

82.00%
97.02%

84.00%
96.11%

86.82%
95.68%

86.75%
95.51%

>
>

80%
90%

Metric reported on a quarterly basis
Exceeds target
Monitoring: +/- 3% of target
Under target
MONITOR Monitoring for data information

MONITOR


### Utilities Commission, City of New Smyrna Beach

#### Balanced Scorecard FY 2019

<table>
<thead>
<tr>
<th>Perspective</th>
<th>OCT</th>
<th>NOV</th>
<th>DEC</th>
<th>JAN</th>
<th>FEB</th>
<th>MAR</th>
<th>APR</th>
<th>MAY</th>
<th>JUN</th>
<th>JUL</th>
<th>AUG</th>
<th>SEP</th>
<th>YTD Rate</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SAFETY &amp; RISK</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OSHA Incident</td>
<td>0 0</td>
<td>0 0</td>
<td>0 0</td>
<td>0 0</td>
<td>1 0</td>
<td>0 0</td>
<td>0 0</td>
<td>0 0</td>
<td>0 0</td>
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<td>0 0</td>
<td>0 0</td>
<td>0.84</td>
<td>&lt; 4.0</td>
</tr>
<tr>
<td>OSHA Severity Rate</td>
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<td>0 0</td>
<td>0 0</td>
<td>0 0</td>
<td>0 0</td>
<td>5.00</td>
<td>&lt; 7.1</td>
</tr>
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<td>Preventable Motor Vehicle Accidents</td>
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<td>0 0</td>
<td>0 0</td>
<td>0 0</td>
<td>1 1</td>
<td>1 0</td>
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<td>0 0</td>
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<td>0.03</td>
<td>&lt; 0.10</td>
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</tr>
<tr>
<td>Third Party Claims</td>
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<td>0 0</td>
<td>0 0</td>
<td>1 0</td>
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<td>0 0</td>
<td>0 0</td>
<td>0 0</td>
<td>0.01</td>
<td>MONITOR</td>
<td></td>
</tr>
<tr>
<td><strong>ELECTRIC</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electric Reliability</td>
<td>SAIDI</td>
<td>205.36</td>
<td>111.46</td>
<td>82.73</td>
<td>65.15</td>
<td>58.48</td>
<td>58.38</td>
<td>66.01</td>
<td>64.06</td>
<td>59.43</td>
<td>58.06</td>
<td>73.88</td>
<td>82.58</td>
<td>82.13</td>
</tr>
<tr>
<td></td>
<td>SAIFI</td>
<td>0.16</td>
<td>0.03</td>
<td>0.03</td>
<td>0.12</td>
<td>0.07</td>
<td>0.27</td>
<td>0.06</td>
<td>0.04</td>
<td>0.06</td>
<td>0.24</td>
<td>0.18</td>
<td>1.39</td>
<td>1.41</td>
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<tr>
<td><strong>FINANCIAL</strong></td>
<td></td>
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<tr>
<td>Financial</td>
<td>EL O&amp;M Cost/Customer</td>
<td>$527</td>
<td>$570</td>
<td>$582</td>
<td>$597</td>
<td>$597</td>
<td>$279</td>
<td>$279</td>
<td>MONITOR</td>
<td></td>
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<tr>
<td></td>
<td>EL Admin&amp;Gen Cost/Customer</td>
<td>$102</td>
<td>$103</td>
<td>$103</td>
<td>$103</td>
<td>$103</td>
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<td>$103</td>
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<tr>
<td></td>
<td>EL Avg Capital Cost/Customer</td>
<td>$205</td>
<td>$178</td>
<td>$178</td>
<td>$178</td>
<td>$178</td>
<td>$178</td>
<td>$178</td>
<td>$178</td>
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<td><strong>WATER RESOURCES</strong></td>
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</tr>
<tr>
<td>Water Resources Reliability</td>
<td>Real Water Loss (gal/connection/day)</td>
<td>31.41</td>
<td>24.44</td>
<td>16.75</td>
<td>10.09</td>
<td>11.72</td>
<td>26.23</td>
<td>26.27</td>
<td>34.64</td>
<td>27.49</td>
<td>15.02</td>
<td>25.55</td>
<td>24.82</td>
<td>&lt; 32.28</td>
</tr>
<tr>
<td></td>
<td>Apparent Water Loss (gal/connection/day)</td>
<td>26.09</td>
<td>13.51</td>
<td>1.13</td>
<td>1.17</td>
<td>2.93</td>
<td>6.11</td>
<td>6.27</td>
<td>2.33</td>
<td>2.01</td>
<td>8.05</td>
<td>17.12</td>
<td>17.71</td>
<td>&lt; 10.36</td>
</tr>
<tr>
<td></td>
<td>WR Major Breaks/100 Miles</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
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<tr>
<td></td>
<td>WR Break Repair Time (hr/mile)</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
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<td>WW Major Breaks/100 Miles</td>
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<tr>
<td></td>
<td>WW Break Repair Time (hr/mile)</td>
<td>0.00</td>
<td>0.00</td>
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<tr>
<td><strong>CUSTOMER SERVICE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>Customer Service</td>
<td>Customer Service Level</td>
<td>62.4%</td>
<td>57.7%</td>
<td>63.9%</td>
<td>69.8%</td>
<td>81.2%</td>
<td>89.9%</td>
<td>91.0%</td>
<td>81.8%</td>
<td>83.1%</td>
<td>92.3%</td>
<td>96.7%</td>
<td>83.5%</td>
<td>81.4%</td>
</tr>
<tr>
<td></td>
<td>Abandoned Call Rate</td>
<td>1.7%</td>
<td>2.2%</td>
<td>4.8%</td>
<td>3.8%</td>
<td>4.2%</td>
<td>2.5%</td>
<td>3.2%</td>
<td>4.8%</td>
<td>9.3%</td>
<td>2.9%</td>
<td>2.0%</td>
<td>3.3%</td>
<td>4.6%</td>
</tr>
<tr>
<td></td>
<td>Average Speed to Answer</td>
<td>175</td>
<td>187</td>
<td>102</td>
<td>70</td>
<td>68</td>
<td>84</td>
<td>74</td>
<td>125</td>
<td>120</td>
<td>71</td>
<td>79</td>
<td>116</td>
<td>106</td>
</tr>
<tr>
<td><strong>BILLING &amp; COLLECTIONS</strong></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Percent of Meters Read - WR</td>
<td>98.0%</td>
<td>98.3%</td>
<td>98.4%</td>
<td>98.3%</td>
<td>98.4%</td>
<td>98.3%</td>
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<td>98.4%</td>
<td>98.4%</td>
<td>98.4%</td>
<td>98.4%</td>
</tr>
<tr>
<td>Percent of Re-reads - combined</td>
<td>0.79%</td>
<td>0.52%</td>
<td>0.55%</td>
<td>0.3%</td>
<td>0.65%</td>
<td>0.62%</td>
<td>0.53%</td>
<td>0.65%</td>
<td>0.62%</td>
<td>0.53%</td>
<td>0.65%</td>
<td>0.62%</td>
<td>0.53%</td>
<td>0.65%</td>
</tr>
<tr>
<td>Estimated Bills</td>
<td>0.27%</td>
<td>0.18%</td>
<td>0.35%</td>
<td>0.22%</td>
<td>0.32%</td>
<td>0.12%</td>
<td>0.13%</td>
<td>0.06%</td>
<td>0.14%</td>
<td>0.14%</td>
<td>0.13%</td>
<td>0.12%</td>
<td>0.19%</td>
<td>&lt; 1%</td>
</tr>
<tr>
<td>Uncollectible Rev. as % of Billed Rev.</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.13%</td>
<td>0.15%</td>
<td>0.13%</td>
<td>0.13%</td>
<td>0.12%</td>
<td>0.11%</td>
<td>0.10%</td>
<td>0.19%</td>
<td>0.11%</td>
<td>0.11%</td>
<td>0.11%</td>
<td>0.15%</td>
</tr>
<tr>
<td><strong>ORGANIZATIONAL CAPACITY</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Materials Management</td>
<td>Avg. # of day to issue PO &lt;$50,000</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>7</td>
<td>6</td>
<td>5</td>
<td>5</td>
<td>6</td>
<td>4</td>
<td>6</td>
<td>3</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Avg. # of day to issue PO =$50,000</td>
<td>70</td>
<td>31</td>
<td>11</td>
<td>32</td>
<td>7</td>
<td>24</td>
<td>20</td>
<td>5</td>
<td>12</td>
<td>11</td>
<td>3</td>
<td>19</td>
<td>20</td>
</tr>
<tr>
<td>Human Resources</td>
<td>Employee Count (Actual vs. Budget)</td>
<td>(7)</td>
<td>(6)</td>
<td>(8)</td>
<td>(8)</td>
<td>(7)</td>
<td>(9)</td>
<td>(7.50)</td>
<td>MONITOR</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Information Technology</td>
<td>Cybersecurity Training - Participation</td>
<td>80.00%</td>
<td>79.00%</td>
<td>79.00%</td>
<td>80.00%</td>
<td>78.00%</td>
<td>78.00%</td>
<td>80.00%</td>
<td>79.10%</td>
<td>91.00%</td>
<td>80.00%</td>
<td>92.00%</td>
<td>83.76%</td>
<td>&gt; 80.0%</td>
</tr>
<tr>
<td></td>
<td>Help Desk Ticket Resolution Rate</td>
<td>97.96%</td>
<td>99.08%</td>
<td>97.01%</td>
<td>95.42%</td>
<td>98.58%</td>
<td>94.17%</td>
<td>93.33%</td>
<td>89.8%</td>
<td>92.83%</td>
<td>94.81%</td>
<td>&gt; 90.0%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
SAFETY AND RISK

* March 2019 - Employee had an insect bite.

**Safety Lesson Learned - Incident Review

*January 2020 - Water Resources (Field Ops) Employee experienced an injury to the foot when asphalt fell from the bucket of a mini excavator onto his foot. Employee was wearing steel toed safety boots. No significant injury was sustained.

**Safety Lesson Learned - Incident Review

*August 2020 - Meter employee hit head on business sign when standing up from reading a meter. No lost work time. Released to return to work.

DEFINITION: OSHA 29 CFR Part 1904 defines OSHA Recordable Incidents as work-related injuries or illnesses that cause fatalities, unconsciousness, loss of workdays, restricted work activities, job transfers, or medical care beyond first aid.

The OSHA Rate is calculated using the following formula and shows as a number per 100 FTEs (Refer to OSHA 29):

\[
\frac{\text{# of Recordable Incidents YTD}}{\text{Total Hours Worked YTD}} \times 200,000
\]

The Bureau of Labor Statistics’ (BLS) Industry Injury and Illness Data for 2017 reports an OSHA Incident Rate of 5.3 for utilities, including electric transmission and distribution, and water, sewage, and other systems (percent relative standard errors for rates of nonfatal occupational injuries and illnesses).

TARGET: < 2.5

* March 2019 - Employee had an insect bite.

*January 2020 - Water Resources (Field Ops) Employee experienced an injury to the foot when asphalt fell from the bucket of a mini excavator onto his foot. Employee was wearing steel toed safety boots. No significant injury was sustained.

**Safety Lesson Learned - Incident Review

*August 2020 - Meter employee hit head on business sign when standing up from reading a meter. No lost work time. Released to return to work.
SAFETY AND RISK

YTD 2020

*January 2020 - Although an injury was sustained in January, no lost work time occurred.

DEFINITION: The OSHA Severity Rate is an average of the number of lost work days per recordable incident. The calculation is made by dividing the total number of lost workdays YTD by the total number of recordable incidents YTD (Refer to OSHA 29).

The Bureau of Labor Statistics’ (BLS) Industry Injury and Illness Data for 2017 reports an OSHA Severity Rate of 0.8 for utilities, including electric transmission and distribution, and water, sewage, and other systems.

TARGET: < 7.0

*January 2020 - Although an injury was sustained in January, no lost work time occurred.
UTILITIES COMMISSION, 
CITY OF NEW SMYRNA BEACH

SAFETY AND RISK

REPORTING PERIOD: AUGUST 2020
DAN SOLLITTO

AUGUST 2020         YTD 2020

PREVENTABLE MOTOR VEHICLE ACCIDENTS (PMVA)

DEFINITION: PMVAs are all motor vehicle incidents that resulted because the driver failed to exercise every reasonable precaution. This is irrespective of whether or not there is property damage or personal injury, the extent of the loss of injury, to whom it occurred, the location of the accident, or whether or not a citation was issued to the driver.

The PMVA Rate is calculated using the following formula (Refer to OSHA Academy https://www.oshatrain.org/notes/fleetsafetyplan.html):

\[
\text{PMVA Rate} = \frac{\text{Number of Incidents}}{\text{Number of Vehicles Operated}}
\]

TARGET: < .03 (based on last 3 years’ average)

*November 2019 - Meter: hit a pole in COB parking lot; Water Resources: New Lift Station Maintenance truck was too tall to enter a gated neighborhood entrance and hit the building.
  **Planning a defensive driving course.

*January 2020 - Electric: employee hit another vehicle while crossing SR 44 eastbound, turning onto SR 44 westbound from Ingham Rd.
  **Safety Message - Distraction Driving
  **Safety Lessons Learned - Incident Review

*March 2020 - Electric: (1) employee scraped side of passenger door on an underground transformer on the OUC practice field; (2) employee hit the side steps of another UC bucket truck while pulling around the vehicle.

**The UC Target for FY2020 was determined using the last three years’ average. Based on the current trend and the calculation method for this metric, we do not predict our PMVA year-to-date rate to be green (at or below the UC Target) the remainder of the fiscal year. Once we implement telematics, we plan to change our metric calculation method from a formula based on the number of vehicles in service to one based on mileage driven during the period and YTD. We believe this will provide a more accurate picture of our PMVA in the future.
SAFETY AND RISK

REPORTING PERIOD: AUGUST 2020

DAN SOLLITTO

DEFINITION: TPCs are claims submitted by customers for renumeration for property damage due to preventable incidents and include claims processed and approved by insurance, as well as those processed as small claims via Accounts Payable. The TPC Rate is calculated using the following formula and shows as a percentage:

\[
\text{TPC Rate} = \frac{\text{# of TPCs YTD}}{\text{# of Customers}} \times 100
\]

*December 2019: Residential customer power surge due to low service line getting caught on Davey Tree bucket truck and pulling wire off transformer.

*January 2020: Result of January's PMVA.

*April 2020 - although there were no TPCs resulting from UCNSB; there were resulting from FPL. Customers will have to work through FPL for renumeration.

*August 2020 - (1) Customer’s car tire damaged from uncovered cut in road made for a sewer repair. Heavy rain washed out the sand and lime rock (temporary repair) leaving the hole exposed by about 3” which caused damage to tire. Reimbursed for tire/realignment - $215.95. (2) Sewer backup caused by sewer lining project - customer’s sewer lateral sealed over during relining, causing a backup. Reimbursed for plumber - $449 (3) Customer claims damage to lawn, driveway, and retaining wall after T&D Line crews accessed property to work on a utility pole behind the home. Claim sent to FMIT to investigate and respond to customer.
DEFINITION:  

**System Average Interruption Duration Index**  
This index is based on the amount of time the average UCNSB customer experiences a sustained outage (being without power for more than five minutes) in a given year. (Refer to FMPA Distribution Reliability Reports)  

*It is important to note that this value is annualized for reporting purposes.*  

\[
\text{SAIDI} = \frac{\text{Sum of all Customer Minutes Interrupted}}{\text{Total number of Customers Served}} 
\]

TARGET:  

< 100.47  
(mean less high and low outliers)  

Significant Outage Events:  
*October 2019: (4) outages of entire feeders; (3) caused by failed lightning arrestors, (1) substation transformer bushing failure. Each outage had >100,000 customer minutes interrupted.  
*November 2019: SAIDI value is annualized. Current month’s value is effected by October’s outages.  
*December 2019: (3) feeder outages: (1) due to weather, (1) caused by vehicle accident, (1) switch failure.  
*February 2020: (1) feeder and (1) recloser outage due to vegetation, (2) recloser outages due to weather.  
*March 2020: (1) lateral outage caused by motor vehicle accident.  
*April 2020: (1) feeder outage due to fallen conductor, (1) lateral outage from vegetation.  
*May 2020: (1) feeder outage due to weather, (1) feeder outage - cause undetermined  
*June 2020: (1) feeder outage due to vegetation, (1) lateral outage of an underground cable  
*July 2020: (1) feeder outage due to weather, (1) lateral outage of an underground cable  
*August 2020: (1) feeder outage due to weather, (1) lateral outage of an underground cable
UTILITIES COMMISSION,  
CITY OF NEW SMYRNA BEACH

ELECTRIC RELIABILITY  
REPORTING PERIOD: AUGUST 2020

TIM BEYRLE

AUGUST 2020  
YTD 2020

SAIFI

**DEFINITION:**  
*System Average Interruption Frequency Index*  
This index represents the number of times the average UCNSB customer experiences a sustained outage in a given year. (Refer to FMPA Distribution Reliability Reports)

*It is important to note that the value denoted by an X on the graph is the number of monthly interruptions per customer and the bar on the right is annualized and indicates a year-end projection for the number of interruptions per customer.*

\[
SAIFI = \frac{\text{Total number of Customer Interruptions}}{\text{Total number of Customers Served}}
\]

**TARGET:**  
< 1.41 (mean less high and low outliers)

*October 2019 = 0.45 based on 13,011 customer interruptions. (See SAIDI comments.)
*November 2019 = 0.01 based on 284 customer interruptions. (See SAIDI comments.)
*December 2019 = 0.24 based on 6,968 customer interruptions. (See SAIDI comments.)
*January 2020 = 0.01 based on 260 customer interruptions. (See SAIDI comments.)
*February 2020 = 0.08 based on 2,246 customer interruptions. (See SAIDI comments.)
*March 2020 = 0.02 based on 458 customer interruptions. (See SAIDI comments.)
*April 2020 = 0.09 based on 2,756 customer interruptions. (See SAIDI comments.)
*May 2020 = 0.19 based on 5,499 customer interruptions (See SAIDI comments.)
*June 2020 = 0.08 based on 2,313 customer interruptions (See SAIDI comments.)
*July 2020 = 0.07 based on 2,129 customer interruptions (See SAIDI comments.)
*August 2020 = 0.16 based on 4,688 customer interruptions (See SAIDI comments.)

Based on current trends and historical date we do not anticipate being green (at or below UC Target) for the year end.
DEFINITION: Customer Average Interruption Duration Index
This index represents the average restoration time when customers are impacted by a sustained outage. (Refer to FMPA Distribution Reliability Reports)

It is important to note that this value is reported as year-to-date and does not indicate a year-end projection.

\[
CAIDI = \frac{\text{Sum of all Customer Minutes Interrupted (SAIDI)}}{\text{Total number of Customer Interruptions (SAIFI)}}
\]

TARGET: < 73.99 (mean less high and low outliers)
DEFINITION: The ratio of total electric utility operation and maintenance expenses, excluding all costs of power supply, to the total number of ultimate customers. Operation and maintenance expenses include the costs of transmission, distribution, customer accounting, customer services, sales, and administrative and general expenses. The costs of power supply (generation and all purchased power) are excluded from the ratio. This ratio can be affected by population density and the mix of customers between various classes (residential, commercial, industrial, or other). (Refer to American Public Power Association Financial and Operating Ratios.)

Electric O&M Cost Per Customer = \( \frac{\text{Total O&M Expenses} - \text{Purchased Power}}{\text{Total Number of Customers}} \)

TARGET: < $712 (UC FY 2020 Budget)

*October 2019 = $528  
*November 2019 = $559  
*December 2019 = $573  
*January 2020 = $582  
*February 2020 = $582  
*March 2020 = $568  
*April 2020 = $600  
*May 2020 = $594  
*June 2020 = $586  
*July 2020 = $594  
*August 2020 = $576
DEFINITION: The ratio of total, annual, capital expenses to the total number of retail customers. This ratio measures the average capital expenditure incurred by the utility on behalf of each retail customer. Capital expenditure is money spent by the utility on acquiring, upgrading, or maintaining fixed assets, such as property, plant, and equipment.

*Admin/IT/Central Services Projects to highlight: WUC, Warehouse Storage Building

*Electric Projects to highlight: Smyrna Substation Expansion, New Feeder Line I-95, Switchgears Osmose Pole Inspections/Replacements, 10th St. FDOT Relocations, Line 17 Turnbull/Pioneer CW, 115Kv Smyrna/Field St Switch, Substation RTUs, Field St Substation Capacitor Bank

*Water Resources Projects to highlight: Islesboro Water Main Upgrade, Sanitary Sewer Systems 10 & 11, Canal St./Julia St. FDOT Relocations, 5th St Bridge FDOT Relocations, Barracuda Bridge FDOT Relocations, Lift Station #60 Automatic Transfer Switch, 10th St. FDOT Relocations, PLC Replacement, Staggerbush Manhole Replacement, S. Riverside Dr Force Main Replacement, GWTP Hypochlorite/Ammonia Feed
WATER PRODUCTION

REPORTING PERIOD: AUGUST 2020

TOM WEST

GROSS WATER LOSS

DEFINITION: Water loss control represents the efforts of water utilities to provide accountability in their operation by reliability auditing their water supplies and implementing controls to minimize system losses. Utilities incur real losses from pipeline leakage, incorrect plant metering, and flushing, etc. and apparent losses when customer water consumption is not properly measured or billed. (Refer to American Water Works Association: 2018 AWWA Utility Benchmarking)

Gross Loss = WTP effluent meter reading - Billed to customers

TARGET: 24.96 g/c/d
(based on past 3 years’ average)

BENCHMARK: 32.28 g/c/d
(AWWA median)

*The UC flushes more than our northern counterparts due to higher Florida temperatures causing chlorine to dissipate faster. This makes our adjusted water losses greater than that of the AWWA’s nationally derived benchmark.

*The "WTP finished meter reading" is a precise month of data, as compared to the "billed to customers" (which has several cycles within a month and some monthly overlap). This will all average out over the course of the year.

*We are scheduled to replace the Plant Master meters (raw and finished) in fiscal year 2020 - this will assist the UC in recording a more accurate read from the WTP.
DEFINITION: A break is physical damage to a potable water main pipe (6” or larger), valve, hydrant, or appurtenance that results in an abrupt loss of water, requires de-pressurizing the water main to repair, and requires a Precautionary Boil Water Notice (PBWN). A major leak, does not constitute a major break, is physical damage to a potable water main pipe (6” or larger), valve, hydrant, or appurtenance that is able to be repaired with a repair clamp without de-energizing and does not require a Precautionary Boil Water Notice. This indicator quantifies the condition of a water distribution system. (Refer to American Water Works Association: 2018 AWWA Utility Benchmarking)

\[
\text{Breaks/100 miles of pipe} = \frac{\text{total number of breaks}}{\text{total miles of distribution system pipe}} \times 100
\]

TARGET: < 4.0 (based last 3 years’ average)

BENCHMARK: < 5.6 (AWWA median)

*December 2019 - 806 N. Atlantic Ave: 6” main failed due to excessive rain, AC (cement based) joint began leaking and required full outage to repair. Replaced 9 feet of pipe.

*January 2020 - Conrad St/Crestwood Ave: 6” PVC main installed by Masci during stormwater project failed, requiring removal by UC crews and re-positioning of main during this emergency repair; Lagoon Ct: 4” PVC main failed due to crack which formed at a tapping saddle (installed many years ago), requiring outage to repair and retapping main for the service.

*February 2020 - N. Peninsula / Minorca: City work on storm water invert caused 6” AC main to break primarily due to its shallow depth.

*June 2020 - 851 Schoolway Ave.: 6” main break by Contractor boring without active locate ticket.
**UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH**

**WATER OUTAGES**

**REPORTING PERIOD: AUGUST 2020**

**TOM WEST**

**AUGUST 2020**

**YTD 2020**

**MAJOR BREAKS AVERAGE REPAIR TIME (HOURS / 100 MILES)**

**DEFINITION:**

The average time to repair a potable break. This indicator reflects how long, on average, the utilities customers are without water due to an unplanned outage. (Refer to American Water Works Association: 2018 AWWA Utility Benchmarking)

Corrective linear maintenance to distribution system length = Total time for corrective maintenance X 100 Total miles of distribution system piping

**TARGET:**

< 8 hours/100 miles (based last 3 years’ average)

**BENCHMARK:**

< 315 hours/100 miles (AWWA top quartile)

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*December 2019 - 806 N. Atlantic Ave: 6” main failed due to excessive rain, AC (cement based) joint began leaking and required full outage to repair. Replaced 9 feet of pipe.

*January 2020 - Conrad St/Crestwood Ave: 6” PVC main installed by Masci during stormwater project failed, requiring removal by UC crews and re-positioning of main during this emergency repair; Lagoon Ct: 4” PVC main failed due to crack which formed at a tapping saddle (installed many years ago), requiring outage to repair and retapping main for the service.

*February 2020 - N Peninsula / Minorca: City work on storm water invert caused 6” AC main to break primarily due to its shallow depth.

*June 2020 - 851 Schoolway Ave.: 6” main break by Contractor boring without active locate ticket.
DEFINITION:  This indicator quantifies the condition of a wastewater collection system expressed as the annual number of failures per 100 miles of collection system piping. A collection system failure is a loss of capacity resulting from a flow restriction in gravity (8" or larger) or pressurized wastewater system. (Refer to American Water Works Association: 2018 AWWA Utility Benchmarking)

Collection System Integrity = \[
\frac{\text{Total number of failures}}{\text{Total miles of collection system piping}} \times 100
\]

TARGET:  < 1.91  
BENCHMARK:  < 2  
(AWWA median)

*There were no major breaks in fiscal year 2019.
**DEFINITION:**
This indicator reflects how long, on average, it took the utilities to repair a wastewater break. Reporting commenced March 2019.

Corrective linear maintenance to collection services length = \( \frac{\text{Total time for corrective maintenance} \times 100}{\text{Total miles of collection system piping}} \)

**TARGET:**
< 2.87 hours/100 miles

**BENCHMARK:**
< 88 hours/100 miles (AWWA top quartile)

*There were no major breaks in fiscal year 2019.*
DEFINITION: The ratio of total water operation and maintenance expenses (less depreciation expense) to the total number of ultimate customers. Operation and maintenance expenses include the costs of transmission, distribution, collection, customer accounting, customer services, sales, and administrative and general expenses. This ratio can be affected by population density and the mix of customers between various classes (residential, commercial, multi-family, or other). (Refer to American Water Works Association: 2018 AWWA Utility Benchmarking)

Total O&M Cost of Potable Water = \[ \frac{\text{Total O&M Expenses} - \text{Depreciation Expense}}{\text{Total Number of Potable Water Accounts}} \]

TARGET: \(< \$299\) (UC FY 2020 Budget)

*October 2019 = $168
*November 2019 = $195
*December 2019 = $208
*January 2020 = $225
*February 2020 = $229
*March 2020 = $232

*April 2020 = $241
*May 2020 = $239
*June 2020 = $242
*July 2020 = $242
*August 2020 = $242
DEFINITION: The ratio of total wastewater (including reuse) operation and maintenance expenses (less depreciation expense) to the total number of ultimate customers. Operation and maintenance expenses include the costs of transmission, distribution, collection, customer accounting, customer services, sales, and administrative and general expenses. This ratio can be affected by population density and the mix of customers between various classes (residential, commercial, multi-family, or other). (Refer to American Water Works Association: 2018 AWWA Utility Benchmarking)

Total O&M cost of wastewater = Total O&M Expenses - Depreciation Expense
Total Number of Wastewater Accounts

TARGET: < $324 (UC FY 2020 Budget)
CUSTOMER SERVICE LEVEL

DEFINITION:  The percentage of calls answered within 60 seconds. This number is directly affected by staffing levels, outages, and walk-in traffic.

TARGET:  > 85% answered within 60 seconds

*One Customer Service Representative is dedicated specifically to the call center while the remaining Customer Service Representatives handle walk-in, website/e-mail, facsimile, and telephone requests.

*March 2020 - Fully staffed; due to COVID-19 lobby closed 03/19/2020 and disconnections for non-payment suspended 03/17/20 through 05/01/20.

*April 2020 - Fully staffed; due to COVID-19 lobby closed and disconnections for non-payment suspended through 06/01/2020.

*May 2020 - Fully staffed; due to COVID-19 lobby closed and disconnections for non-payment suspended through 07/01/2020.

*June 2020 - Fully staffed; due to COVID-19 lobby closed and disconnections for non-payment suspended through 07/01/2020.

*July 2020 - Resumed disconnections for non-pay which resulted in an increased workload, also had employees scheduled off during each week of the month.
CUSTOMER SERVICE

ABANDONED CALL RATE COMPARED TO AVERAGE SPEED TO ANSWER

DEFINITION:

Abandoned Call Rate: The percentage of calls that hang up or dequeue for voicemail after 30 seconds of hold time. Per Cisco, call center standard is to not count a call as abandoned if they hang up or dequeue within the first 120 seconds of hold time.

Average Speed to Answer: The average amount of time it takes for calls to be answered in a call center during a specific time period. This includes the amount of time callers wait in a waiting queue and while the Customer Service Representative’s phone rings however, does not include the time it takes for callers to navigate through the IVR. This number is directly affected by staffing levels, outages, and walk-in traffic.

TARGET: Abandon < 7.0%  Speed to Answer: < 106 seconds

*One Customer Service Representative is dedicated specifically to the call center while the remaining Customer

*March 2020 - Fully staffed; due to COVID-19 lobby closed 03/19/2020 and disconnections for non-payment suspended 03/17/20 to 05/01/20

*April 2020 - Fully staffed; due to COVID-19 lobby closed and disconnections for non-payment suspended through 06/01/2020.

*May 2020 - Fully staffed; due to COVID-19 lobby closed and disconnections for non-payment suspended through 07/01/2020.

*June 2020 - Fully staffed; due to COVID-19 lobby closed and disconnections for non-payment suspended through 07/01/2020.

*July 2020 - Resumed disconnections for non-pay which resulted in an increased workload, also had employees scheduled off during each week of the month.
**DEFINITION:** The percent of actual meters read for the reporting period out of the total number of meters. Total meters less re-reads less estimated. The variance between services is directly related to Electronic Meter Reading, the majority of electric meters are radio read. (Refer to American Public Power Association Customer Service Survey.)

**ELECTRIC TARGET:** > 99.92%  
**WATER TARGET:** > 98.55%  
**BENCHMARK:** > 98%

*The percent of water meter reads is increasing due to favorable weather conditions and the continued efforts to replace outdated, manually read meters with ERT (encoder receiver transmitter) meters.*

*March 2020: Due to automated business process and timing of seasonal customers leaving, automated water re-reads increased.*

*July 2020: During a manual audit of Electric Meters we found approximately 15 with blank screens, this resulted in an estimate, meter change out, and ultimately a lower percentage of meter reads obtained on the first attempt.*
**METER READING**

**UTILITY COMMISSION, CITY OF NEW SMYRNA BEACH**

**REPORTING PERIOD: AUGUST 2020**

**DANIELLE WOOD**

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**RE-READS**

- **FY 2020**
- **BENCHMARK**

**DEFINITION:** 
Percent of meter re-reads after initial reading, prior to billing, in effort to minimize estimated bills. Re-reads can be due to a number of reasons such as, inclement weather, accessibility, damaged/failing equipment, or human error. This is the percent of rereads divided by the total number of reads for the reporting period.

**TARGET:** 
< 0.75%

*The percent of re-reads is decreasing due to favorable weather conditions and the continued efforts to replace outdated, manually read meters with ERT (encoder receiver transmitter) meters.

*March 2020: Due to automated business process and timing of seasonal customers leaving, automated water re-reads increased.

*July 2020: During a manual audit of Electric Meters we found approximately 15 with blank screens, this resulted in an estimate, meter change out, and ultimately a lower percentage of meter reads obtained on the first attempt.
UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH

BILLING & COLLECTIONS

REPORTING PERIOD: AUGUST 2020

DANIELLE WOOD

PERCENT OF ESTIMATED BILLS

DEFINITION: Percent of utility bills estimated. (Refer to American Public Power Association Customer Service Policies Survey- average estimated is 2%)

TARGET: <.25%  BENCHMARK: < 2%

FY 2020  BENCHMARK  UC TARGET

OCT  NOV  DEC  JAN  FEB  MAR  APR  MAY  JUN  JUL  AUG  SEP  FY 2019
BILLING & COLLECTIONS

DEFINITION: Percentage of revenue charged off to third party collection agency by reporting period.

TARGET: < .25% (based on past 2 years' averages)
DEFINITION: The volume of purchase orders processed in the reporting period.

Active Solicitations: RFP for Managed Uniform Program
MATERIALS MANAGEMENT

REPORTING PERIOD: AUGUST 2020
MAUREEN LYNCH

< $75,000  AUGUST 2020  YTD 2020
> $75,000  AUGUST 2020  YTD 2020

DEFINITION: The average number of days it took, beginning with the requisition, to issue the purchase order. The National Institute of Government Procurement has determined the average cycle time for small purchases as approximately 8 days and formal requests to be approximately 20 days.

TARGET: < 8 days  ( < $75,000 )  < 20 days  ( > $75,000)
Electric Operations is under budget by (6) positions: 6 Lineman;
Central Services is under budget by (3) positions: Payroll/Benefits Specialist/Lead Mechanic/HRM
IT is under budget by (1) position: Cisco Unified...
Finance is under budget by (1) position: Meter
System Ops is under budget by (1) position: System Operator

Electric Operations is under budget by (6) positions: 6 Lineman;
Central Services is under budget by (3) positions: Payroll/Benefits Specialist/Lead Mechanic/HRM
IT is under budget by (1) position: Cisco Unified...
Finance is under budget by (1) position: Meter
Water Resources is under budget by (2) positions: Water Plant Operator; Lead Operator, WRF
Engineering is under budget by (2) positions: Electrical Engineer (1); Manager, Civil(1)
System Ops is under budget by (1) position: System Operator

*January 2020 - under budget by 14 positions; actively recruiting for 5 of the 14.
*February 2020 - under budget by 16 positions; actively recruiting for 6 of the 16.
*March 2020 - under budget by 12 positions; actively recruiting for 4 of the 12.
*April 2020 - under Budget by 14 positions; actively recruiting for 2 of the 14, and 3 additional in preparation for retirements
*May 2020 - under budget by 16 positions; actively recruiting for 6 of the 16, and 1 additional due to a retirement
*June 2020 - under budget by 16 positions; actively recruiting for 5 of the 16, and 1 additional due to an upcoming retirement
*July 2020 - under budget by 16 positions; actively recruiting for 7 of the 16, and 1 additional due to an upcoming retirement
*August 2020 - under budget by 16 positions; actively recruiting for 6 of the 16 (DBA in IT filled with internal candidate.
Resulting HDT vacancy filled with a contract to hire employee.)
*January 2020: Actively recruiting: Electrical Engineer, Lineman, S/R Supervisor (in preparation of the current incumbent's retirement), and Utilities Employee I


*March 2020: Actively recruiting: Electrical Engineer, Lineman, S/R Supervisor (in preparation of the current incumbent's retirement), Director of Water Resources (in preparation of retirement), General Office Clerk


*May 2020: Actively recruiting: S/R Supervisor, WTP Operator (in preparation of current employees' retirement), Director of Water Resources (in preparation of retirement), Supervisor, Plant Maintenance (in preparation of the current incumbent's retirement), Electrical Engineer, 3 Linemen

*June 2020: Actively recruiting: WTP Operator (in preparation of current employees' retirement), Electrical Engineer, 2 Linemen, System Operator or Trainee

*July 2020: Actively recruiting: WTP Operator (in preparation of current employees' retirement), Electrical Engineer, 1 Linemen, 3 AP, Lineman, System Operator or Trainee

*August 2020: Actively recruiting: Lead Operator, WRF (in preparation of current employees' retirement), Electrical Engineer, 1 Linemen, 3 AP, Lineman, System Operator or Trainee

**Due to the specialized nature of the jobs we are recruiting for and the very tight labor market for these positions, we are not meeting our YTD target for recruitment. Although the country is seeing a large increase in unemployment levels due to COVID-19, the utility industry is not one that has been negatively affected, and the roles for which we are recruiting are specialized, requiring specific education and experience. COVID-19 initially caused a delay in recruitment (e.g., holding interviews), however, we quickly resolved this by conducting virtual interviews. We were successful in selecting the Director, Water Resources and Supervisor, Substation/Relay via this method.
INFORMATION TECHNOLOGY

AUGUST 2020

YTD 2020

CYBERSECURITY AWARENESS - MONTHLY MANDATORY TRAINING

DEFINITION:
Monthly Mandatory Cybersecurity Awareness Training is used to educate all employees on cybersecurity best practices regarding a variety of security awareness training topics in effort to build a security culture that is pervasive throughout the organization, aligning people, policies, and practices with security goals. Standards and legislations that require Security Awareness Program in place: PCI DSS; Sarbanes-Oxley (SOX); NERC CIP; Health Insurance Portability & Accountability Act (HIPAA); ISO/IEC 27001 & 27002; CobiT

TARGET: > 80% Participation

*October 2019: During the month of October (National Cybersecurity Awareness Month), the IT Department held 4 cybersecurity promotions, conducted 3 webinars, held contests, sent out videos and provided training throughout the enterprise. IT conducted onsite vulnerability checks, screen lockout and password assessments on all equipment (laptops, phones, iPad, tablets, desktops) and also provided awareness training on a variety of cyber topics. The IT Department touched every person in the organization.

*A Phish Alert button was added to the ribbon in Outlook to provide UC email users with a quick, efficient method of reporting suspicious emails to IT.

*March 2020: Lower than target participation for the month of March due to the transition to remote working for most of the staff in response to COVID-19.
 UTILITIES COMMISSION,  
CITY OF NEW SMYRNA BEACH

INFORMATION TECHNOLOGY

REPORTING PERIOD: AUGUST 2020
BRANDY KEEHN

HELP DESK - TICKET RESOLUTION RATE

DEFINITION: The percent of total service tickets opened that the help desk resolved in the period. Used to measure IT vigilance and problem mitigation. Reporting commenced January 2019.

Closed: Resolved Help Desk tickets
Open: Unresolved Help Desk tickets - waiting for information or action

TARGET: > 90% Closed (ITIL - Service Desk Metrics)
APPENDIX
DEFINITION: *Momentary Average Interruption event Frequency Index*

This index is based on the number of times the average customer is interrupted by Momentary Outage events each year. (Refer to FMPA Distribution Reliability Reports)

\[
MAIFI_e = \frac{\text{Total number of Customer Momentary Interruption Events}}{\text{Total number of Customers Served}}
\]

TARGET: < 4.2 (mean less high and low outliers)
DEFINITION:  
*Average Length of a Service Interruption*

The average length of a single outage. (Refer to FMPA Distribution Reliability Reports)

\[
L-\text{Bar} = \frac{\text{Total minutes of interruption}}{\text{Total number of interruptions}}
\]

TARGET:  
< 95.78  
(mean less high and low outliers)
**DEFINITION:** The ratio of total electric utility administrative and general expenses to the total number of retail customers. This ratio measures the average administrative and general expenses incurred by the utility on behalf of each retail customer. Administrative and general expenses are those electric operation and maintenance expenses not allocable to the costs of power production (generation and power purchases), transmission, distribution, or customer accounting, service and sales. Items which might be included are compensation of executives, office supplies, professional fees, property insurance and claims, pensions and benefits, and other expenses not provided for elsewhere. (Refer to American Public Power Association Financial and Operating Ratios.)

\[
\frac{\text{Electric Administrative & General Cost Per Customer}}{\text{Total Number of Customers}} = \frac{\text{Total Administrative & General Expenses}}{\text{Total Number of Customers}}
\]

**TARGET:** < $247 (UC FY 2020 Budget)

*A&G O&M favorable to budget primarily driven by lower pension & benefits and workmens’ comp expense.

- *October 2019 = $159
- *November 2019 = $168
- *December 2019 = $182
- *January 2020 = $189
- *February 2020 = $195
- *March 2020 = $196
- *April 2020 = $207
- *May 2020 = $204
- *June 2020 = $198
- *July 2020 = $197
- *August 2020 = $192
**DEFINITION:** The ratio of total water utility administrative and general expenses to the total number of retail customers. This ratio measures the average administrative and general expenses incurred by the utility on behalf of each retail customer. Administrative and general expenses are those water resources operation and maintenance expenses not allocable transmission, distribution, collection, or customer accounting, service and sales. Items which might be included are compensation of executives, office supplies, professional fees, property insurance and claims, pensions and benefits, and other expenses not provided for elsewhere.

\[
\text{Water Administrative & General Cost} = \frac{\text{Administrative & General Expenses}}{\text{Per Customer}} / \frac{\text{Total Number of Potable Water Customers}}{}
\]

**TARGET:** < $105 (UC FY 2019 Budget)

*A&G O&M favorable to budget primarily driven by lower pension & benefits and workmens’ comp expense.

*October 2019 = $70  *April 2020 = $92
*November 2019 = $74  *May 2020 = $91
*December 2019 = $77  *June 2020 = $89
*January 2020 = $85  *July 2020 = $88
*February 2020 = $87  *August 2020 = $89
*March 2020 = $86
DEFINITION: The ratio of total wastewater utility administrative and general expenses to the total number of retail customers. This ratio measures the average administrative and general expenses incurred by the utility on behalf of each retail customer. Administrative and general expenses are those wastewater resources operation and maintenance expenses not allocable transmission, distribution, collection, or customer accounting, service and sales. Items which might be included are compensation of executives, office supplies, professional fees, property insurance and claims, pensions and benefits, and other expenses not provided for elsewhere.

Wastewater Administrative & General Cost = \( \frac{\text{Administrative & General Expenses}}{\text{Total Number of Wastewater Customers}} \)

TARGET: < $145 (UC FY 2020 Budget)

*A&G O&M favorable to budget primarily driven by lower pension & benefits and workmens’ comp expense.

*October 2019 = $82
*November 2019 = $87
*December 2019 = $91
*January 2020 = $99
*February 2020 = $101
*March 2020 = $100

*April 2020 = $107
*May 2020 = $106
*June 2020 = $104
*July 2020 = $103
*August 2020 = $103
DEFINITION: Potable water use, which includes indoor uses (e.g., drinking, flushing toilets, preparing food, showering, washing clothes and dishes, etc.) as well as outdoor uses (e.g., watering lawn and gardens, washing cars, etc.). Per capital potable water use will be affected by wet weather conditions. (Refer to the Bieber Index) Reporting commenced March 2019.

TARGET: 134 gallons/capita/day
DEFINITION: These indicators provide the complaint frequency of the utility, reported to the laboratory, related to potable water, including but not limited to, taste, odor, and pressure. Only those complaints logged by the utility, whether acted on or not, are counted. Complaints unrelated to potable water are not considered. (Refer to American Water Works Association: 2018 AWWA Utility Benchmarking)

\[
\text{Technical service complaints/1,000 accounts} = \frac{\text{Total number of technical service complaints}}{\text{Number of water accounts}} \times 1,000
\]

TARGET: 2.6 (AWWA median)
UTILITIES COMMISSION,  
CITY OF NEW SMYRNA BEACH

WASTEWATER/RECLAIMED PRODUCTION

DEFINITION: The difference between the total volume of reclaimed water treated at the Water Reclamation Facility and the total volume of reuse water consumption billed to customers in the reporting period. The percentage of reclaimed water billed is affected by weather conditions. To avoid discharge into the river the utility uses various storage ponds and irrigates UCNSB properties; during drought conditions reclaimed water is restricted.

TARGET: 90%
CUSTOMER SERVICE

REPORTING PERIOD: AUGUST 2020

DANIELLE WOOD

UTILITY COMMISSION,
CITY OF NEW SMYRNA BEACH

AVERAGE CALL DURATION (MINUTES)

DEFINITION: Call duration is the amount of time Customer Service Representatives speak with customers on the phone. (Refer to The International Finance Corporation's Global Best Practices.)

TARGET: < 4 minutes

*February 2020 - Cisco phone upgrade took place 2/24/2020 which deleted all phone reporting data prior to update. Data is not recoverable. Estimated February using available data.

*March 2020 - Fully staffed; due to COVID-19 lobby closed 03/19/2020 and disconnections for non-payment suspended 03/17/2020 through 05/01/2020.

*April 2020 - Fully staffed; due to COVID-19 lobby closed and disconnections for non-payment suspended through 06/01/2020.

*May 2020 - Fully staffed; due to COVID-19 lobby closed and disconnections for non-payment suspended through 07/01/2020.

*June 2020 - Fully staffed; due to COVID-19 lobby closed and disconnections for non-payment suspended through 07/01/2020.

*July 2020 - Resumed disconnections for non-pay which resulted in an increased workload, also had employees scheduled off during each week of the month.
CUSTOMER SERVICE

DEFINITION: Annual number of calls per customer, not including electronic and walk-in contact.

*February 2020 - Cisco phone upgrade took place 2/24/2020 which deleted all phone reporting data prior to update. Data is not recoverable. Estimated February using available data.

*March 2020 - Fully staffed; due to COVID-19 lobby closed 03/19/2020 and disconnections for non-payment suspended 03/17/20 through 05/01/20

*April 2020 - Fully staffed; due to COVID-19 lobby closed and disconnections for non-payment suspended through 06/01/2020.

*May 2020 - Fully staffed; due to COVID-19 lobby closed and disconnections for non-payment suspended through 07/01/2020.

*June 2020 - Fully staffed; due to COVID-19 lobby closed and disconnections for non-payment suspended through 07/01/2020.

*July 2020 - Resumed disconnections for non-pay which resulted in an increased workload, also had employees scheduled off during each week of the month.
CUSTOMER SERVICE

DEFINITION:
The percentage of total utility customer contact for the reporting period by various contact options.

*February 2020 - Cisco phone upgrade took place 2/24/2020 which deleted all phone reporting data prior to update. Data is not recoverable. Estimated February using available data.

*March 2020 - Fully staffed; due to COVID-19 lobby closed 03/19/2020 and disconnections for non-payment suspended 03/17/20 through 05/01/20.

*April 2020 - Fully staffed; due to COVID-19 lobby closed and disconnections for non-payment suspended through 06/01/20.

*May 2020 - Fully staffed; due to COVID-19 lobby closed and disconnections for non-payment suspended through 07/01/20.

*June 2020 - Fully staffed; due to COVID-19 lobby closed and disconnections for non-payment suspended through 07/01/20.

*July 2020 - Resumed disconnections for non-pay which resulted in an increased workload, also had employees scheduled off during each week of the month.
BILLING & COLLECTIONS

REPORTING PERIOD: AUGUST 2020

DANIELLE WOOD

UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH

PERCENT OF DELINQUENT ACCOUNTS

DEFINITION: The top graph shows the percentage of customer accounts charged a late fee, not paid within allotted 21 day period. The second graph shows the percentage of customer accounts disconnected for non-payment after all collection attempts.

*April 2020 - Due to COVID-19 lobby closed and disconnections for non-payment suspended through 6/1/2020.
*May 2020 - Due to COVID-19 lobby closed and disconnections for non-payment suspended through 7/1/2020.
*June 2020 - Due to COVID-19 lobby closed and disconnections for non-payment suspended through 7/1/2020.
*July 2020 - We contacted every customer on our disconnection lists, generated by billing cycle, trying to prompt payment, a payment arrangement, or direct them to social services for assistance. Some customers were ultimately disconnected. July had a higher than normal disconnection rate due to suspending disconnections in previous months because of COVID-19.
**BILLING & COLLECTIONS**

**DEFINITION:**
Payment method utilized by customers during current reporting period in FY2019 vs. FY2020.

*April 2020 - Drive-Thru closed 04/03/20 payments shown as "Drive-Thru" were left in night deposit box. Lobby was closed entire month, zero "Walk-in" payments.

*May 2020 - Lobby was closed entire month, zero "Walk-in" payments.

*June 2020 - Lobby was closed entire month, zero "Walk-in" payments.

*July 2020 - Lobby was closed entire month, zero "Walk-in" payments.

*August 2020 - Lobby was closed entire month, zero "Walk-in" payments.
DEFINITION: This is the number of utility Service Orders processed by the Meter Technicians. It includes all customer requested orders, Read Outs, Cut Ins, Temporary to Permanents, and Cut Outs; excludes disconnect for non-payment.
The number of meter installations completed for the reporting period by service type, and reason, either replacement of existing meter or a new installation.
<table>
<thead>
<tr>
<th>DEPARTMENT</th>
<th>P.O. NO.</th>
<th>VENDOR</th>
<th>ITEM/SERVICE</th>
<th>DOLLAR VALUE</th>
<th>COMMISSION APPROVAL DATE</th>
<th>AGENDA ITEM</th>
</tr>
</thead>
<tbody>
<tr>
<td>WWW</td>
<td>16715</td>
<td>Carmeuse</td>
<td>Quick Lime</td>
<td>$ 512,848.00</td>
<td>8/24/2020</td>
<td>3-d</td>
</tr>
<tr>
<td>ENG</td>
<td>16725</td>
<td>Duke Energy</td>
<td>Mobile Substation</td>
<td>$ 367,931.00</td>
<td>8/24/2020</td>
<td>3-j</td>
</tr>
<tr>
<td>WWW</td>
<td>16718</td>
<td>Odyssey Manufacturing</td>
<td>Sodium Hypochlorite</td>
<td>$ 95,040.00</td>
<td>8/24/2020</td>
<td>3-d</td>
</tr>
</tbody>
</table>

**DEFINITION:** Per UC Resolution 2019-04, approved at the September 23, 2019 Utilities Commission meeting: Sealed bids and or requests for proposal and Commission approval are required for purchases exceeding $75,000.
ABSENCE RATE

DEFINITION: Tracks the percentage of workers who are absent for unscheduled/unexcused reasons during a given period of time. Reference Society for Human Resources Management (www.shrm.org).

(# of hours of unexcused absences x 100) / total hours scheduled to work in the period

The Department of Labor reports the industry average absence rate in 2018 was 2.4% for utilities and 3.2% for local governments (https://www.bls.gov/cps/cpsaat47.htm).

TARGET: < 2%  BENCHMARK: < 2.4%
DEFINITION: Retention of Talent indicates job stability of the company. An index of high staff turnover implies high costs for the employer. The rate of retention is calculated by comparing the number of employees who joined the company in a specified period vs. those who stayed during the same period. (Refer to Society for Human Resources Management (www.shrm.org) Talent Acquisition Benchmarking Report 2017.)

# of individual employees who remained employed for the entire measurement period / # of employees at the start of the measurement period x 100.

*December 2019 - one retirement on 12/31/2019
*January 2020 - one death (not related to employment)
*February 2020 - two voluntary resignations
*April 2020 - two retirements (Lineman; S/R Supervisor), one voluntary resignation (Lineman)
*May 2020 - one voluntary resignation (Lineman)
*June 2020 - one termination (Manger, HR); two retirements (Director, WR; Supervisor, Plant Maint)
*August 2020 - one retirement (Lead Operator, WRF)
HUMAN RESOURCES

DEFINITION:
Customer to Employee Ratio shows how many Commission customers we have per 1 Commission FTE
*A Phish Alert button was added to the ribbon in Outlook to provide UC email users with a quick, efficient method of reporting suspicious emails to IT.

**DEFINITION:** The number of reported suspicious emails or suspicious cybersecurity activity by employees. Used to quantify the effectiveness of a Cybersecurity Awareness Training. Standards and legislations that require Security Awareness Program in place: PCI DSS; Sarbanes-Oxley (SOX); NERC CIP; Health Insurance Portability & Accountability Act (HIPAA); ISO/IEC 27001 & 27002; CobiT Reporting commenced January 2019.
AGENDA ITEM  5-a

☐ CONSENT ITEM  FOR MEETING OF: September 28, 2020

☐ NEW BUSINESS  FROM: UCNSB General Counsel

☐ OLD BUSINESS  SIGNATURE: Thomas Cloud

☑ General Counsel's Report  EXHIBITS: Form 8B - Memorandum of Voting Conflict for U.C. Commissioner Jack Holcomb

SUBJECT: Florida Statutes Chapter 112 - Section 112.3143 Voting Conflicts Compliance - Publicly Read Commissioner Holcomb's Form 8B Into Record

SUMMARY:

In compliance with Florida statutory requirements, Commissioner Holcomb disclosed and declared a voting conflict that took place during the Regular U.C. Meeting that was held on 8-24-20, the conflict was with consent agenda item 3-i.

Commissioner Holcomb filed Form 8B on 8-21-20, a copy of the form was provided via email to the other Commissioners on 8-24-20, and the form has been incorporated into the Minutes for the 8-24-20 Regular U.C. Meeting.

The last compliance requirement is for the form to be read publicly at the next meeting after the form is filed.

RECOMMENDED ACTION:

General Counsel will read Commissioner Holcomb's Form 8B, copy attached, publicly into the record at this U.C. meeting.
WHO MUST FILE FORM 8B

This form is for use by any person serving at the county, city, or other local level of government on an appointed or elected board, council, commission, authority, or committee. It applies to members of advisory and non-advisory bodies who are presented with a voting conflict of interest under Section 112.3143, Florida Statutes.

Your responsibilities under the law when faced with voting on a measure in which you have a conflict of interest will vary greatly depending on whether you hold an elective or appointive position. For this reason, please pay close attention to the instructions on this form before completing and filing the form.

INSTRUCTIONS FOR COMPLIANCE WITH SECTION 112.3143, FLORIDA STATUTES

A person holding elective or appointive county, municipal, or other local public office MUST ABSTAIN from voting on a measure which would inure to his or her special private gain or loss. Each elected or appointed local officer also MUST ABSTAIN from knowingly voting on a measure which would inure to the special gain or loss of a principal (other than a government agency) by whom he or she is retained (including the parent, subsidiary, or sibling organization of a principal by which he or she is retained); to the special private gain or loss of a relative; or to the special private gain or loss of a business associate. Commissioners of community redevelopment agencies (CRAs) under Sec. 163.356 or 163.357, F.S., and officers of independent special tax districts elected on a one-acre, one-vote basis are not prohibited from voting in that capacity.

For purposes of this law, a “relative” includes only the officer’s father, mother, son, daughter, husband, wife, brother, sister, father-in-law, mother-in-law, son-in-law, and daughter-in-law. A “business associate” means any person or entity engaged in or carrying on a business enterprise with the officer as a partner, joint venturer, coowner of property, or corporate shareholder (where the shares of the corporation are not listed on any national or regional stock exchange).

**ELECTED OFFICERS:**

In addition to abstaining from voting in the situations described above, you must disclose the conflict:

PRIOR TO THE VOTE BEING TAKEN by publicly stating to the assembly the nature of your interest in the measure on which you are abstaining from voting; and

WITHIN 15 DAYS AFTER THE VOTE OCCURS by completing and filing this form with the person responsible for recording the minutes of the meeting, who should incorporate the form in the minutes.

**APPOINTED OFFICERS:**

Although you must abstain from voting in the situations described above, you are not prohibited by Section 112.3143 from otherwise participating in these matters. However, you must disclose the nature of the conflict before making any attempt to influence the decision, whether orally or in writing and whether made by you or at your direction.

IF YOU INTEND TO MAKE ANY ATTEMPT TO INFLUENCE THE DECISION PRIOR TO THE MEETING AT WHICH THE VOTE WILL BE TAKEN:

- You must complete and file this form (before making any attempt to influence the decision) with the person responsible for recording the minutes of the meeting, who will incorporate the form in the minutes. (Continued on page 2)
APPOINTED OFFICERS (continued)

- A copy of the form must be provided immediately to the other members of the agency.
- The form must be read publicly at the next meeting after the form is filed.

IF YOU MAKE NO ATTEMPT TO INFLUENCE THE DECISION EXCEPT BY DISCUSSION AT THE MEETING:

- You must disclose orally the nature of your conflict in the measure before participating.
- You must complete the form and file it within 15 days after the vote occurs with the person responsible for recording the minutes of the meeting, who must incorporate the form in the minutes. A copy of the form must be provided immediately to the other members of the agency, and the form must be read publicly at the next meeting after the form is filed.

DISCLOSURE OF LOCAL OFFICER'S INTEREST

Jack Holcomb, hereby disclose that on 8-24, 2020:

(a) A measure came or will come before my agency which (check one or more)

- inured to my special private gain or loss;
- inured to the special gain or loss of my business associate, 
- inured to the special gain or loss of my relative, 
- inured to the special gain or loss of , by whom I am retained; or
- inured to the special gain or loss of , which is the parent subsidiary, or sibling organization or subsidiary of a principal which has retained me.

(b) The measure before my agency and the nature of my conflicting interest in the measure is as follows:

Consent agenda item 1. I am under contract to buy this parcel of land.

If disclosure of specific information would violate confidentiality or privilege pursuant to law or rules governing attorneys, a public officer, who is also an attorney, may comply with the disclosure requirements of this section by disclosing the nature of the interest in such a way as to provide the public with notice of the conflict.

8-21-2020
Date Filed
Signature

NOTICE: UNDER PROVISIONS OF FLORIDA STATUTES §112.317, A FAILURE TO MAKE ANY REQUIRED DISCLOSURE CONSTITUTES GROUNDS FOR AND MAY BE PENALIZED BY ONE OR MORE OF THE FOLLOWING: IMPEACHMENT, REMOVAL OR SUSPENSION FROM OFFICE OR EMPLOYMENT, DEMOTION, REDUCTION IN SALARY, REPRIMAND, OR A CIVIL PENALTY NOT TO EXCEED $10,000.
PLEASE DO NOT HIT REPLY ALL

In compliance with Section 112.3143, Florida Statutes, the attached Form 8B was received on 8-21-2020 for U.C. Commissioner Holcomb’s disclosure and declaration of a voting conflict that occurred during the 8-24-20 Regular U.C. Meeting (Consent Agenda Item 3-i – Developer’s Infrastructure, Capacity and Inspection Agreement – Stewart Mitchell – S.R. 44 PUD – Mitchell Equity Group LLLP).

This form is being furnished for your information. This form will be read into the record publicly at the Regular U.C. Meeting on 9-28-20 and will become attached to the August 24, 2020 U.C. Minutes.

Thank you,

Debbie Simmons
Executive Mgr./Records Custodian
Utilities Commission, City of New Smyrna Beach, Florida
386-424-3001 / Email dsimmons@ucnsb.org
AGENDA ITEM 7-a.

CONSENT ITEM FOR MEETING OF: September 28, 2020

NEW BUSINESS FROM: Director, Central Services

OLD BUSINESS SIGNATURE: Britney Pitcher

EXHIBITS: None

SUBJECT: Risk Management Insurance Coverage for FY2021

SUMMARY: The Director of Central Services is recommending the following insurance plans and carriers for risk management coverage for FY2021:

Florida Municipal Insurance Trust (FMIT) through Florida League of Cities $405,871.00

Property, Crime, General Liability, Professional, Inland Marine, Automobile, Workers’ Compensation

The main driver of the premium increase (approximately 17%) is property coverage. Prior to FMIT, the property was insured with ACE Insurance Company which offered a campus style coverage. This resulted in a limited property policy with only a portion of the property inventoried, appraised, and insured. FMIT, our current property carrier, recently performed an asset survey resulting in all our assets inventoried, appraised, and insured (approximately an additional $30M in real property). We intend to review the asset inventory in further detail and determine what we should self-insure (e.g., items valued under our $50,000 deductible). This will reduce our premiums for property.

CHUBB $14,132

Contractors Fuel Island Pollution

This year’s recommended insurance results in no changes in carriers.

FUNDING SOURCE(S) Funding Allocation from Account No. 000-165-1600

RECOMMENDED ACTION:

A motion to approve the continuance of risk management insurance coverages for Fiscal Year 2021 with the above listed carriers/coverages to be effective 10/1/2020 through 9/30/2021; for a total FY2021 premium amount of $420,003* (*FMIT plus CHUBB).

GM/CEO Joseph Bunch

NOTE: ALL AGENDA ITEMS MUST BE IN THE GENERAL MANAGER’S OFFICE BY NOON MONDAY TO FRIDAY TWO WEEKS PRIOR TO THE REGULAR MONDAY COMMISSION MEETING.
To support the revised Compensation Program and Pay Plans for Non-Union Personnel that was approved and implemented in early 2020, the attached Compensation Program Policy was drafted and is hereby submitted for approval. The policy has been reviewed and approved internally by the GM/CEO and Director of Finance/CFO and has also been reviewed by Legal Counsel.

The policy defines and consists of the following sections:

- UCNSB’s Compensation Program Philosophy
- Pay Plan Structure
- Annual Salary Reviews
- Determination of Merit Rewards
- Types of Increases
- Reclassifications and Special Status
- Performance Review and Reward Determination Tools
- Final Steps for Pay Increases
- General Information (i.e., effective dates; eligibility; disciplinary status)
- Changes in Employment Status
- Compensation Studies
- Employee Performance Scorecard

To complement the new policy, new Performance Appraisal Forms have been created, as well as worksheets for determining merit rewards within the established budget and merit parameters.

FUNDING SOURCE(S) N/A

RECOMMENDED ACTION:

A motion to approve to formally accept the Compensation Program Policy to become effective October 1, 2020.

GM/CEO Joseph Bunch
Utilities Commission, City of New Smyrna Beach
Compensation Program Policy

COMPENSATION PROGRAM PHILOSOPHY

To attract, motivate, and retain the best employees with the Knowledge, Skills, and Abilities (KSAs) needed for UCNSB to achieve its mission; to be competitive within relevant labor markets; to reward contribution and excellence using multiple recognition strategies; to maintain internal equity; and to facilitate and encourage career development and progression.

SECTION I. Pay Plan

1.1. Market Reference Point (MRP)

Market Reference Point (MRP) represents the targeted compensation point for an employee who has attained complete mastery of the position requirements to the extent that he/she can fully execute all the essential job functions of the position. The MRP presumes that the employee has acquired all the requisite job knowledge, skills, and abilities. Each MRP has a salary range associated with it comprised of a minimum and a maximum. An employee’s salary within the MRP range is dependent on his/her qualifications, years of related experience, performance, and internal salary equity considerations.

1.2. Exempt Pay Plan

The Exempt Pay Plan is comprised of an open range, with a range spread of between 50-60%, as is industry standard, and grade progression of 5%. MRP is the average of the range minimum and maximum.

1.3. Non-Exempt Pay Plan

The Non-Exempt Pay Plan is comprised of Steps up to MRP, with a 28% range spread and 5.5% grade progression. Each Step within a grade is 5% above the previous. The MRP was calculated based on 22% above minimum.

1.4. Slating Positions

Positions within both the Exempt and Non-Exempt Pay Plans are slated based on market data and internal equity considerations. Market data is the main determinant for slating positions into grades within the Pay Plan. However, internal equity, as it relates to a job family and career pipelines, is also a factor, as are external characteristics, such as the current state of competitiveness of a particular position in the labor market and differences in job structure, size of organizations, and geographic areas.

SECTION II. Annual Salary Review

Annual Salary Reviews (ASRs) are conducted each year during the months of October to December for the review period of October to September of the preceding year (e.g., The period of Oct ’19 to Sept ’20 is reviewed during Oct ’20 – Dec ’20).

Annual Salary Reviews are conducted by Leaders for their direct reports, who will review results and recommendations with the Department Director. Completed ASRs are due to HR by October 31st of each year.
The employee first completes his portion of the ASR form and then the respective leader completes the remaining portion. Salary recommendations will be reviewed by Sr. Leadership in November and December with the annual confirmation distributed in January.

SECTION III. Determining Merit Reward

3.1. Merit Reward Limits

Merit limits are determined each year during the budgeting process by the General Manager/CEO. A percentage of base salaries, for the approaching Fiscal Year (FY), will be set aside for the annual merit pool for the department directors to distribute. For example, if the approaching FY budgeted base salaries for a single department is $100,000, and a 3% pool was designated by the GM/CEO, that department’s leadership would have $3,000 that may be distributed amongst the applicable personnel as merit increases to salary/wage.

3.2. Merit Options

Merit options include an increase to base pay only.

3.3. Factors in Determining Individual Merit Increases

The UCNSB rewards employees based on their job position, individual performance, current salary including other factors summarized below. Individual employee rewards should not be based on subjective factors, nor should they be based solely on inflation adjustments. Merit increases are not guaranteed. Factors to consider in determining wage increases include the following:

a) Type, complexity, and level of work,
b) Individual performance and effectiveness in working with others,
c) Ability to manage/lead teams, if applicable,
d) Contribution to the organization,
e) Salary in relation to the labor market,
f) Salary in relation to current position in range.

Leaders are encouraged to distribute merit dollars strategically. Doing so will help motivate, reward, and retain high performing employees, differentiate employee performance, and reward performance accordingly. With this in mind, we discourage across the board increases.

*Note: The higher the employee is in the range, the lower the increase that may be given. For example, if an employee is below MRP with exemplary performance, he/she may receive a 3% increase, whereas an employee with exemplary performance, but already 5% above MRP, may only receive a 1% increase. Therefore, performance, proficiency, and current placement in the range must all be considered. Using the Salary Budgeting Matrix Workbook will help to determine the appropriate placement of an employee within the range.

The merit increase process gives the leader an opportunity to send a clear message – that excellent performance matters. Treating merit as a “cost of living” increase by distributing the same percentage increase to everyone leaves the impression that performance is not truly valued. Leaders who do not strategically link merit increases to performance run the risk of lowering the motivation of top performers, and of encouraging a standard of mediocre performance from others. Using this opportunity to recognize and reward high performers can support the goal of retaining top talent.
The process empowers leaders but requires accountability and responsibility. Leaders must play an active role in assessing employee performance, having ongoing conversations with employees about their performance, and rewarding employees accordingly.

SECTION IV. Types of Increases

4.1. Merit Increase to Base

A merit increase to base pay is provided based upon individual performance, budget allocation, and individual placement in the designated position pay grade and range.

The merit increase raises the base salary/wage and impacts benefit costs as well. Individuals may not be awarded merit increases that take the base pay beyond the established maximum for the position, without approval by the GM/CEO.

4.2. Cost of Living Adjustments

Cost of living increases are reviewed each year during the budgeting process. When the CPI shows an increase in the cost of living, the salary/wage bands will be updated, and will be applied each October. This is called Cost of Living Adjustments (COLA). COLAs are applied only to the salary/wage bands (i.e., the Min, MRP, and Max for exempt pay plans and the Steps, MRP, and Max on non-exempt pay plans) and do not increase individual employees’ salaries. The exception is for non-exempt employees who are currently in a Step (e.g., 1, 2, 3, 4, or MRP). Such individuals’ base wage will be raised to reflect the new rate for the Step they are in.

Cost of Living Adjustments ensure that the pay plans remain in line with the market in-between market studies (reference Section X).

4.3. Market Adjustments

Market adjustments are provided if during a compensation review/study, it is determined that the position is no longer competitive within the relevant labor market. The position will then be moved to a pay grade that reflects the marketed salary/wage for that position.

An individual in a position that receives a market adjustment, may or may not experience an immediate change in pay. Determination of placement within the newly established grade will be based upon the individual’s current salary/wage relative to the new MRP.

4.4. Merit Outside of Established Parameters

Documentation is required for annual increases awarded above or below established parameters, as provided in the Salary Budgeting Matrix Workbook.

In such cases there must be additional documentation supporting the request which has been approved by the Department Director.

4.5. Sr. Leadership (Director) Staff

Budget allocations for Sr. Leadership positions will be provided to the GM/CEO for distribution and are not included in Departmental allocations. The GM/CEO will perform annual performance reviews for each Director.
and will independently recommend and approve merit rewards. The Sr. Leadership team will not review and approve rewards for one another.

SECTION V. Reclassification and Special Status

5.1. Reclassifications of positions

On occasion, it may be deemed necessary to reclassify positions. Circumstances that may warrant this action can include changes in market conditions (i.e., if the cost of labor for a given job is increasing; or certain jobs are becoming more competitive in the market).

Changes in pay grades will be determined as specified in Section 1.4 and Section 4.2.

5.2. Special Status (i.e., temporary assignments)

At times it may be necessary for employees to perform the role of another classification on a temporary basis. When this occurs, the employee will receive a temporary adjustment in pay to reflect that of the temporary role, not to exceed 90% of MRP for that position. If the employee’s current salary/wage is higher than 90% of MRP for the temporary role, no pay adjustment will be made.

Special Status will be designated when a temporary assignment is assigned by a Supervisor and will last multiple days, outside of normal vacations and time off. Examples of when special status may occur include, but are not limited to, extended medical leave, personal leaves of absence, or filling a vacant role due to attrition or during recruitment.

SECTION VI. Performance Review and Reward Determination Tools

The Employee Performance Scorecard and Salary Budgeting Matrix shall be used when performing ASRs. Both tools will be provided to Leaders by HR at the start of the review period. A due date will be assigned and must be adhered to for ASRs to be implemented on time.

SECTION VII. Final Steps

7.1. Review and Approval

To ensure consistency in application of guidelines and budget, the Sr. Leadership Team reviews all salary increase recommendations, except for Director positions, which are reviewed by the GM/CEO, Director of Finance/CFO, and Director of Central Services (to ensure consistency of application).

The Sr. Leadership Team will review and approve each salary increase recommendation, ensuring the recommended reward is appropriate for the employee’s role, performance, and proficiency. The team will consider the following factors:

a) Type, complexity, and level of work,

b) Individual performance and effectiveness in working with others,

c) Ability to manage/lead teams, if applicable,

d) Contribution to the organization,

e) Salary in relation to the labor market,
f) Salary in relation to current position in range.
g) Hours worked eligibility requirements for those on an approved leave of absence.

Schedule:

October: Leaders complete the annual assessment of their direct reports during the month of October. Completed reviews are due to Human Resources October 31st of each year.

November: The Sr. Leadership Team conducts a Ratings Review in November to ensure consistency of application of performance review guidelines.

Leaders meet with direct reports and conduct the Annual Performance Review Meeting.

Leaders then work with their Department Director to establish Merit Increases for each individual, within the established budget, and using the provided worksheet. Merit Increase recommendations are due to Human Resources November 30th of each year.

December: The Sr. Leadership Team reviews recommendations for Merit Increases in December.

January: Final approvals and employee notifications of Merit Increases.

February: Merit Increases take effect February 1st.

7.2. Confirmation

Upon review and subsequent approval, confirmation of merit rewards will be sent to Directors, HR, and Finance.

Employee notifications will be generated by HR and distributed to Leaders who will review individually with each of their employees.

SECTION VIII. General Information

8.1. Effective dates

Generally, merit rewards will be effective February 1st of each year, but may be altered at the discretion of the GM/CEO.

8.2. Eligibility

All full-time and part-time, regular employees are eligible for Annual Salary Reviews (ASR) and subsequent merit rewards, except as indicated herein.

8.3. Disciplinary Status

Employees who have been disciplined within the ASR period with a written warning or above are not eligible for an annual merit reward.

SECTION IX. Changes in Employment Status

9.1. Leave of Absence
Employees on approved leave of absence are eligible for an annual merit reward if they have worked at least half of the review period (1,040 hours).

Employees who have been absent for 1,041 hours or more during the review period are not eligible for that year’s reward but will still receive a performance review.

9.2. Termination

Employees who have submitted resignation notices prior to ASR are ineligible.

Employees who place resignation notices after the salary review, but prior to the effective date of salary increases or within 30-days after the effective date of salary increases, will receive lump sum payouts (personal leave time balances) at the former rate of pay.

9.3. Transfers, Promotions, Demotions

If an employee transfers* to a different position, was promoted, or demoted* during the year, they are still eligible for a merit reward, but performance and proficiency will be solely based on the new position and shall not reflect performance/proficiency in the former.

*If the demotion or transfer was for disciplinary reasons, the employee will be ineligible for a merit reward for that year.

SECTION X. Compensation Studies

Formal compensation studies will be completed every three (3) years: 2022; 2025; 2028; and so on to ensure UCNSB stays competitive in the labor market, in achieving the stated goals of our established Compensation Philosophy.

SECTION XI. Employee Performance Scorecard

An Employee Performance Scorecard will be used during ASRs and will reflect the following:

1) Specified 12-month period (generally, October to September, unless altered by the GM/CEO)
2) Position-based (Role, Responsibilities, and required Competencies of position)
3) Vision-based and/or Goal-based (Vision, Mission and Values (VMV) and Goals of the organization/department. Leaders must determine how accomplishment of the vision can be measured individually at the start of each year.)
4) Significant contributions to the Organization/Department (are there any out-of-the-ordinary contributions or part of the normal job responsibilities made during this period that should be considered and rewarded?)
5) No more than five (5) critical factors. These are the main indicators and initiatives. They are on the scorecard because they need priority attention, because they’re the main drivers of our vision/goals. *There are, of course, many other priorities that fill our agendas. These are, however, just pebbles, sand, and water, in comparison. These can be addressed, but only after the top five.*
After an ongoing comprehensive review, Finance staff have modified and updated the U.C.'s Purchasing Policies and Procedures Manual. The September 2020 Purchasing Manual supersedes previous versions and incorporates the approval levels that were previously approved late last year.

The amended and revised Purchasing Manual is attached to and incorporated as part of the proposed U.C. Resolution No. 2020-13. The clean version of the manual is attached to the resolution. (The tracked changes version is available upon request.)

In addition to the Finance staff's review, the Purchasing Manual was legally reviewed by the U.C.'s General Counsel, and is hereby recommended for Commission approval.

RECOMMENDED ACTION:
A motion to approve U.C. Resolution No. 2020-13 and formally adopt the revised, amended and modified Purchasing Policies and Procedures Manual as submitted, with an effective date immediately upon passage.
RESOLUTION NO. 2020-13

A RESOLUTION OF THE UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA; AMENDING AND REVISIONING THE UTILITIES COMMISSION’S PURCHASING POLICIES AND PROCEDURES MANUAL; PROVIDING FOR RESCINDING CONFLICTING RESOLUTIONS OR PORTIONS THEREOF; PROVIDING FOR SEVERABILITY; PROVIDING FOR AN EFFECTIVE DATE.

NOW, THEREFORE, BE IT RESOLVED BY THE UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA, AS FOLLOWS:

SECTION 1. FINDINGS AND INTENT. The Utilities Commission, City of New Smyrna Beach, Florida (the “Commission”) makes the following findings and declares the following legislative intent:


(2) The Utilities Commission then adopted the Manual by Resolution 5-87 on June 10, 1987, as its Purchasing Policies and Procedures (hereafter the “Purchasing Rules.”)

(3) The Purchasing Rules have been amended on August 17, 2009, agenda item 2-d, by Resolution No. 2018-02, approved on April 23, 2018, agenda item 5-d., by Resolution No. 2019-04, approved September 23, 2019, agenda item 7-a, by Resolution No. 2020-04, agenda item 6-a, March 23, 2020, and by Resolution No. 2020-11, agenda item 3-h, August 24, 2020.

(4) To restate, the purpose of the Purchasing Policies and Procedures Manual is to enumerate and provide for the implementation of the policies of the Utilities Commission and to effect the centralization of the purchase of goods and services, other than the employment of personnel.

(5) The staff has completed a comprehensive review of the existing Purchasing Rules, and has prepared a modified and updated Purchasing Policies and Procedures Manual (the “Purchasing Manual”) attached to and incorporated in this Resolution as Exhibit “A.”

(6) The Utilities Commission has considered the recommendations of its staff and has determined to adopt the Purchasing Manual as set forth in this Resolution.

SECTION 2. ADOPTION OF REVISED, AMENDED, AND MODIFIED PURCHASING POLICIES AND PROCEDURES MANUAL. The Purchasing Manual attached to and incorporated in this Resolution as Exhibit “A” is hereby adopted by the Utilities Commission.

SECTION 3. SEVERABILITY. If any provision or portion of this Resolution is declared by any court of competent jurisdiction to be void, unconstitutional, or unenforceable, then all remaining provisions and portions of this Resolution shall remain in full force and effect.
SECTION 4. REPEAL OF INCONSISTENT RESOLUTIONS. All resolutions and portions of resolutions in conflict herewith are hereby repealed.

SECTION 5. EFFECTIVE DATE. This Resolution shall take effect immediately upon its passage by the Commission.

THIS RESOLUTION was introduced at a regular meeting of the Utilities Commission, City of New Smyrna Beach, Florida, held this _______ day of September, 2020, by Commissioner ____________ who moved for its adoption, which motion was seconded by Commissioner ____________, and upon roll call vote of the Commission was DULY ADOPTED as follows:

CHAIRMAN

VICE CHAIRMAN

SECY.-TREAS.

ASST. SECY.-TREAS.

COMMISSIONER

APPROVED: ATTEST:

_________________________ ___________________________ 
, Chairman 

_________________________ ___________________________ 
, Secretary-Treasurer

APPROVED AS TO FORM & LEGALITY:

Thomas A. Cloud, General Counsel
The Commissioners of the Utilities Commission (UC), City of New Smyrna Beach recognize that centralized purchasing is a necessary function of effective government and therefore, declares that it shall be the responsibility of the Materials Management Division to centralize the purchasing oversight of supplies, equipment, services and construction for the Divisions and Departments of the Utilities Commission; to exercise direct supervision over the Utilities Commission Central Stores and provide general supervision over all the inventories of supplies belonging to the Utilities Commission; and to sell, trade or otherwise dispose of surplus supplies or materials belonging to the Utilities Commission. The basic objective of which is to obtain the best total value consistent with operational needs while maintaining ethical and open competition.

The function of the Materials Management Division involves the procurement of materials, supplies, equipment, and any service or construction required to ensure effective operation on all working levels of the Utilities Commission. The purpose of the centralized Materials Management Division is to facilitate purchasing policies and procedures for all Utilities Commission departments in the most orderly, economical, and efficient manner.

The Division’s goal is the promotion of the Commission’s best interest through intelligent action and equitable dealing and to maintain and preserve the Utilities Commission’s integrity in purchasing where the expenditure of public funds is involved.

Except as otherwise provided herein, the Materials Management Division shall serve as the principal public purchasing official for the Utilities Commission and in accordance with this Manual shall be responsible for the procurement of supplies, services, and construction including the management and disposal of supplies or materials.
The main objectives of the Materials Management Division of the Utilities Commission are as follows:

1. To provide professional procurement services for all divisions and departments within the Utilities Commission
2. To pledge the best efforts for adherence to all laws, regulations, and procedures related to procurement actions by the Utilities Commission
3. To purchase goods and services at the lowest price, consistent with quality, performance, and delivery requirements from capable vendors meeting the Utilities Commission's requirements
4. To deal equitably with all vendors wishing to do business with the Utilities Commission.

The policy of the Utilities Commission is to support its Code of Ethics Policy, while also adopting **Florida State Statute 112 Part III, Code of Ethics for Public Officers and Employees**, in its entirety for the guidelines of public conduct for its officers, commissioners, managers and employees and the National Institute of Governmental Purchasing Code of Ethics.

Maureen Lynch, CPPB
Materials Manager
# UCNSB Purchasing Policies and Procedures

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A. LEGAL AUTHORIZATION

The Utilities Commission has exclusive authority to manage, operate, and control all of the cities’ utilities pursuant to its Charter. Pursuant to that authority, the Utilities Commission first adopted policies applicable to purchasing by UC Resolution No. 1-80 in February of 1980. The initial Purchasing Policies and Procedures Manual was approved by the Utilities Commission in May 1987 by U.C. Resolution No. 5-87. A comprehensive update to this Manual was then approved in August 2009 by the Utilities Commission via Agenda item, and subsequently revised/amended by U.C. Resolution Nos. 2018-02; 2019-04; and 2020-04. In order to better manage, operate, and control the utilities systems for which it is responsible, the Utilities Commission has determined to modify and streamline its purchasing policies to address continuous changes in technology, communications, and the economy.

B. RESPONSIBILITIES AND FUNCTIONS

The Materials Management Division is responsible for establishing and administering the Utilities Commission Purchasing Policies and Procedures Manual, as approved by the Utilities Commission Commissioners; initiating reports necessary to permit analysis of purchasing performance; approving purchasing-related contracts; dealing ethically with all potential supply sources; consolidating purchases of like or common items; obtaining the best prices for materials, equipment, supplies and services, and generally defining how to effect cost savings and coordinate purchasing and contracting procedures for the Utilities Commission.
C. GUIDELINES

The following guidelines shall govern the procurement of goods and services for the Utilities Commission in accordance with the existing Purchasing Policies and Procedures Manual:

1. All requests for the purchase of goods and/or services shall be directed to and made with the assistance of the Materials Management Division except as otherwise noted within the contents of this manual.

2. Acceptance of gifts or gratuities is strictly prohibited. No employee shall become obligated to any vendor and shall not execute any Utilities Commission transaction from which they may personally benefit.

3. No employee of the Utilities Commission shall obligate the Utilities Commission whereby said employee may derive income or benefits other than those provided as remuneration from the Utilities Commission for their employment.

4. No contract, purchase, or group of requisitions shall be subdivided to circumvent bid and/or quotation requirements.

5. It is unlawful for Utilities Commission Commissioners, management or employees to order, purchase, or contract for any materials, supplies, equipment, or contractual services, without prior written authority, or as specifically delegated herein by the Materials Management Division (Section V, Subsection A. Acquisition Methods). Any purchase, order or contract made contrary to the provisions hereof shall not be approved, and the Utilities Commission shall not be bound thereby.

6. The modification of these policies and procedures is not intended to affect the role and responsibilities of the Utilities Commission’s General Counsel in the performance of the General Counsel’s duties and responsibilities on behalf of the Utilities Commission.

D. INTER-DEPARTMENTAL RELATIONS

1. Cooperation and understanding between departments are essential in the effective operation of the Materials Management Division.

2. The Materials Management Division will endeavor to establish and maintain close liaisons with procuring departments to meet their purchasing needs and requirements, and work with the respective department director to provide oversight and assurance that applicable rules and regulations are being adhered to in developing contractual agreements.

3. The Materials Management Division does not determine the requirements for individual purchase requests. The requesting department/division will indicate requirements including technical data, specifications, plans and/or designs involved. All purchasing actions will be coordinated with the requesting department/division prior to the issuance of a solicitation, purchase order or contract.
E. PRODUCT & SERVICES SPECIFICATIONS AND AWARDS – RESPONSIBILITIES

1. Technical – The Director of the requesting department/division, with assistance from the Materials Management Division, is responsible for determining the technical data, specifications, plans and/or design requirements to be included in procurement documentation.

2. Operating – The Materials Management Division, in close coordination with requesting departments/divisions, will centrally procure materials, supplies, equipment, services or construction required by the Utilities Commission. The Warehouse/Central Stores group will receive, control and disburse the inventory of supplies maintained in Central Stores.

3. Contractual – The appropriate department/division director is responsible for preparing contractual agreements with a vendor, or if the vendor prepares the contract, insuring the appropriate level of review by the CFO/Director of Finance and Utilities Commission’s legal counsel, prior to signing. The Materials Management staff will provide oversight and assurance that applicable rules and regulations are adhered to in the contractual process.

   In accordance with the function of the Purchasing Department and under the Director of Finance’s ownership and accountability, new and renewal contracts for UC goods and services are reviewed to ensure that they are in accordance with the standard form contract developed by UC legal counsel. If the contract is new or the form contract has been materially modified, the UC legal counsel is appropriately included in the contract review process.

4. Project Management – The applicable department/division director is responsible for managing contracts and associated deliverables for their departments/divisions. The Department Director will enlist the assistance and expertise of the Materials Management Division in resolving any disputes with the vendor regarding contractual performance.

F. VENDOR RELATIONS

1. The Utilities Commission will strive to maintain strong relationships with its vendors that meet our internal requirements and successfully meet our objectives. To accomplish this, purchasing activities will be conducted so that all vendors will value our business and make every effort to meet our requirements based on the most economical quantity, suitable quality, timely delivery, adequate service, and lowest possible price.

2. Any quotation or specific information received from a vendor, relative to any item under consideration for purchase, must not be divulged to any other vendor until after a purchase order has been issued.

3. All vendors must be afforded equal opportunities to quote, so that all vendors can compete on equal terms. No "bid shopping" shall be permitted; (i.e. no one shall obtain pricing from a vendor and request other vendors to meet or beat the disclosed price).

4. During interviews with salespersons or other vendor representatives, no UC employee shall commit to a preference for any product or service or give any information regarding performance or price which might in any way compromise or obligate the Utilities Commission or the administration of the Utilities Commission.
G. EXCLUSIONS

1. Agreements between the Utilities Commission and non-profit organizations or governmental entities, including the procurement, transfer, sale or exchange of goods and/or services.

2. Procurement of dues and memberships in trade or professional organizations; subscriptions for periodicals, advertisements, postage, paralegals, expert witnesses and specialized legal services, abstracts of titles for real property, title insurance for real property, real property, court reporter services, water, sewer and electric utility services, copyrighted materials, patented materials, art and artistic services, employment agreements and fees and costs of job-related travel, seminars, tuition, registration and training.

3. Blanket purchase orders issued on an annual basis wherein the exact quantity of items or identification of specific items cannot be determined in advance.

4. Items purchased for resale to the general public.

5. Contracts awarded by any Local, State or Federal governmental agency, cooperative purchasing organizations or purchasing associations.

6. Contracts for services related to legal or financial compliance, notice, disclosure, repository or dissemination requirements.

7. Contracts for services related to retirement plan recordkeeper and related retirement benefit services.
A. **PURPOSE**

The Purchase Requisition serves to inform the Materials Management staff of the needs of the requesting department/division and to correctly define the material or service requested. In addition, the routing of an on-line requisition, achieved through management approved staff hierarchy, signifies the validity of the purchase and the authority to charge the funds to a specific general ledger account number.

B. **WHEN PREPARED**

Purchase Requisitions must be prepared far enough in advance to permit the Materials Management Division to either review the competitive price quotes obtained by the requisitioning department and/or to obtain other means of competitive pricing and to allow sufficient time for deliveries to be made. It is recommended to list any anticipated requirements in advance and to involve the Materials Management Division as soon as the need is determined.

C. **PREPARATION AND ROUTING OF REQUISITIONS**

Requisitions will originate in the requesting department/division, using the Great Plains accounting software and the UC web-based Purchase Order program software, at the level where the purchase is to be used. Upon entry of the information, a requisition number is generated. Using the management approval hierarchy contained within the system, which ensures that in no case can the requestor also approve the same requisition, the generated requisition will proceed through the designated approval authority (Department Director or designee) prior to being submitted to the Materials Management Division. A copy is to be retained by the originating department for reference. All original back-up documentation, including formal and detailed specifications as required, will be forwarded to the Materials Management Division via inter-department mail or electronic form, when applicable.

The completed Purchase Requisition should contain the following information to ensure that the order is processed efficiently, and the end-product is equal to the desired specifications.

1. Delivery address, including contact information and a recommended delivery date that will allow adequate time for the purchasing process.

2. Clear and accurate descriptions of materials, services and equipment to be purchased, including technical specifications, and the purpose for which they are intended.

3. Identify any known qualified vendor(s).
4. Obtaining quotations from perspective vendors greatly reduces the time needed to process a requisition. List any quotes obtained by vendor code, name, individual contacted and price obtained (by line item).

5. Proper general ledger accounts or project numbers must be verified for funding, prior to submitting requisitions. The Accounting group should be contacted if there are questions regarding whether the proposed expenditure is operating and maintenance (O&M) or capital.

D. COMPLETION OF THE REQUISITION

After a vendor has been recommended for award, this data is entered on the requisition form through the UC web-based Purchase Order program and re-routed to the management approved hierarchy to assure that the selected product(s)/service(s) will meet the needs and specifications of the requesting department. The process of posting a requisition creates the purchase order. A copy of the requisition form is filed separately in the requisition file and a copy is also included with the completed purchase order packet.

The Materials Management staff will:

1. Assist in the preparation or review of specifications for all requirements

2. Locate the sources and availability of needed products and services

3. Process all requisitions and purchases with the least possible delay, in accordance with Utilities Commission policies and procedures

4. Work with awarded vendor in coordinating all steps involved in completing a purchase.

5. Assist the user department with any issues after the product has been delivered or services have been rendered

E. REVIEW OF PROPOSED AWARD - DEPARTMENTAL APPROVALS REQUIRED

Prior to the issuance of bids and prior to submitting a notification of award to purchase, the review of the item(s) and the specifications for certain commodities and services must be made by the requesting department to ensure the quoted purchase meets the same standards as requested. If the requesting department believes that their standards have not been met, final approval of the requisition will not be given, and the requisition will not be turned into a purchase order. Discussions will be held between the requesting department and Materials Management staff until agreement is reached regarding the standards, pricing and delivery of the quoted purchase.
BLANKET PURCHASE ORDERS
SECTION III

A. PURPOSE

A purchase order authorizes the vendor to ship and invoice the materials and services as specified. Purchase orders can be issued as blanket purchase orders or confirming purchase orders. Purchase orders shall be written so that they are clear, concise and complete. This will prevent any unnecessary misunderstanding and correspondence with vendors. A purchase order constitutes a legal contract between the Utilities Commission and the vendor. In cases of minor discrepancies, a change order can be issued by the Materials Management Division. The reason for the proposed change order and the required director approvals must be submitted prior to awarding a change order. Purchase orders shall be issued for all recurring purchases, services or maintenance agreements.

B. WHEN ISSUED

Pre-numbered, computer generated purchase orders are issued upon the submittal of a properly approved requisition, and after receipt of competitive quotes or bids. Using the UC web-based Purchase Order program software, the on-line requisition is routed for approvals. The completed purchase order is signed by the Materials Management Division after all approvals have been obtained.

C. WHO ISSUES

Except for authorized Visa Purchasing Card Transactions, only the Materials Management Division shall issue purchase orders. The using department/division shall not enter negotiations with any vendor for the purchase of supplies, services, materials or equipment. All purchase orders shall be transmitted to the vendor by the Materials Management Division.

D. BLANKET PURCHASE ORDERS

1. Definition

A Blanket Purchase Order (“Blanket”) is a purchase order issued to one vendor for the purchase of indeterminable items, materials, and/or supplies over a certain term (not to exceed four (4) fiscal year(s)). Blankets reduce the time and effort of requesting and issuing numerous purchase orders to the same vendor for recurring purchases. Shipments are made, as requested by the requesting department, against the respective term’s blanket purchase order number. The Blanket Purchase Order generally establishes a maximum dollar limit, the period covered, and the respective terms and conditions. The blanket purchase order will identify the general class of materials which may be purchased (i.e., paint brushes and painting supplies, automotive repair parts, miscellaneous...
construction hardware items, laboratory grade chemicals, etc.). Since the specific items to be purchased are usually unknown at the time of the Blanket Purchase Order issuance, no line item pricing is generally shown. If a firm unit price for major items is available, these unit prices will be listed at the time of award. Blanket Purchase Orders will not be used for warehouse inventory items.

2. Preparation

Requests for a Blanket Purchase Order shall be made online in the UC web-based Purchase Order program by the requesting department/division indicating the general types of items to be purchased and the maximum, “Not to Exceed” amount to be encumbered for the term of the Blanket Purchase Order. It is the users’ responsibility to inform the Materials Management Division, by way of a Requisition, of any changes to or the renewal of a Blanket’s original terms.

3. Usage

Invoices for all Blanket Purchase Orders may be reviewed periodically by the Materials Management Division to ensure compliance with the terms of the purchase order. Blanket Purchase Orders may be immediately canceled by the Materials Management Division should the using department not strictly adhere to the provisions of the Blanket Purchase Order or Utilities Commission Purchasing Policies and Procedures.

E. PREPAYMENT PROCEDURES

On rare occasions, a vendor may request prepayment prior to delivering a product or rendering service. No Purchase Order will be issued for prepayment without prior, verbal or written approval from the Director of Finance. Verbal approval will be documented by the Materials Management Department.
A. DEFINITION

Emergency purchases may **ONLY** be made for commodities or services necessary due to emergency conditions or natural disasters that may affect the health, safety and welfare of the New Smyrna Beach Utilities Commission customers or employees including customers who reside outside the incorporated New Smyrna Beach area or in instances where the Utilities Commission’s operations would be seriously impaired if immediate action were not taken.

*Lack of planning or funding issues do not constitute emergency purchases.*

An Emergency purchase exceeding $75,000 will not be authorized by the Materials Management Division without obtaining prior, verbal or written approval from the Director of Finance and the General Manager/CEO. Verbal approvals will be documented by the Materials Management Department. Emergency purchases exceeding $75,000 must also be ratified by the Utilities Commission Commissioners at the next regularly scheduled Commission meeting.
METHODS OF PURCHASING

SECTION V

Whenever possible, alternative vendors shall be determined for all items being considered for procurement and for all preliminary price quotations. In some isolated instances, a sole-source procurement shall be utilized. In all other cases, the following procedures shall be used to procure goods and services:

A. ACQUISITION METHODS

The Materials Management Division will review each requisition for the specific need(s) and determine the type of procurement method that will provide for full and open competition. Procurement requirements will be prioritized by date received and operational priority(s). Contracts awarded shall not exceed four years (UCNSB legally required not-to-exceed contract period) without obtaining the City of New Smyrna Beach Commission approval for a longer contract period (Per Chapter 85-503, Laws of FL, Special Acts of 1985).

To ensure standardization and cost-optimization across the UC, all multi-year IT software, services, maintenance (IT and Non-IT) and Enterprise-wide agreements require the Director, CFO and CEO approval.

Proposed UC capital expenditures should be included in the annual Budget process. If a proposed capital expenditure was not budgeted, the proposed expenditure must proceed through the approval process with funding offsets identified and detailed on the Project Request Expenditure (PRE) form.

Once the capital expenditure projects have been budgeted or offsets identified, the projects will proceed through the funding approval process referenced above which includes the PRE Form, approval process, UC web-based Purchase Order program authorization, etc.

If an overall project’s actual expenditures exceed the budget by over/under 15% the project and the variance drivers must be presented to the CFO.

- If the project’s variance to its original budget is $75,000 or less, the CEO will review and sign-off.
- If the project’s variance to its original budget is over $75,000, the CEO and the Utilities Commission Commissioners will approve.
Quick Reference Guide

PROJECT SPEND

<table>
<thead>
<tr>
<th>Dollar Limit</th>
<th>Method</th>
<th>PRE Requirement *</th>
<th>Approval Levels</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0 - $1,000</td>
<td>Single Quote P-Card</td>
<td>Capital PRE *</td>
<td>Director</td>
</tr>
<tr>
<td>$1,001 - $5,000</td>
<td>Minimum of Three Quotes</td>
<td>Capital PRE *</td>
<td>Director</td>
</tr>
<tr>
<td>$5,001- $10,000</td>
<td>Minimum of Three Written Quotes</td>
<td>Director CFO</td>
<td>Director CFO</td>
</tr>
<tr>
<td>$10,001 - $75,000</td>
<td>Request for Quotation issued</td>
<td>Director CFO CEO</td>
<td>Director CFO CEO</td>
</tr>
<tr>
<td>$75,001 – and above</td>
<td>Formal Sealed Bid, Request for Proposal</td>
<td>Director CFO CEO Utilities Commissioners</td>
<td>Director CFO CEO Utilities Commissioners</td>
</tr>
</tbody>
</table>

*Capital PRE information is required for all new capital projects regardless of project dollar amount so Accounting (Fixed Assets) can properly capitalize the asset.

The Project PRE requirement represents the total cost of the project. Once the Project PRE is approved, all purchases for the project and its respective scope are assumed to be approved. Individual material or subcontract purchases greater than $75k require UC Commissioner post-purchase ratification to avoid project delays.
PRE Procedure:

As we continue to move toward electronic documentation handling, we are now utilizing a system called DocuSign. DocuSign allows for a secure digital signature without the need of sending hardcopy paper documents around from department to department. This is saving a substantial amount of time and increasing efficiency.

Purchasing will reach out to request PRE’s as needed and inform the department of the dollar amount needed for the PRE. If the department has already obtained quotations, they can proceed with their PRE request as listed in the flow process below.

PRE Spending Limits:

1. O&M Expenses above $5,000.00 will require a PRE Form
2. Any/All Capital Expenses require PRE regardless of the dollar amount
   a. If you have capital questions, please contact Accounting
3. O&M PRE’s $5,001- $10,000 will require Director & CFO Signatures
4. O&M PRE’s $10,001 & up will require Director, CFO & CEO signatures
5. Capital PRE’s $0-$10,000 will require Director & CFO Signatures
6. Capital PRE’s $10,001 & up will require Director, CFO & CEO signatures

PRE Flow Process

1. Requesting Department Admin creates PRE form and submits to purchasing staff via PDF email attachment.
   a. Include budget work sheets with this PDF File
   b. Include all supporting documentation, including but not limited to requisition, quotes, equipment description, complete project description, etc.
      i. Project description is key to determine/confirm O&M and capital treatment

2. Purchasing takes PRE form and creates an electronic Docusign document including all backing documentation (i.e. requisition, quotes etc.) and then submits the electronic file to the department head via Docusign for signature. Once this is signed by the Requesting Director, it is automatically routed to Finance for signature and then to CEO (if required)

3. Admins will receive a completed copy of the PRE form via DocuSign after it has received all the required signatures for your record.
OPERATING AND MAINTENANCE (O&M) SPEND

<table>
<thead>
<tr>
<th>Dollar Limit</th>
<th>Method</th>
<th>PRE Requirement</th>
<th>Approval Levels</th>
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<td>Director CFO CEO</td>
<td>Director CFO CEO Utilities Commissioners</td>
</tr>
</tbody>
</table>

a. **Request for Quotations (RFQ)**

The following procedures are required for purchases with an estimated value as follows:

<table>
<thead>
<tr>
<th>Dollar Range</th>
<th>Required number of Quotes</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,000 to $5,000</td>
<td>Three (3) quotes (minimum)</td>
</tr>
<tr>
<td>$5,001 to $10,000</td>
<td>Three (3) written quotes (minimum)</td>
</tr>
<tr>
<td>$10,001 to $75,000</td>
<td>Request for Quotations Issued</td>
</tr>
<tr>
<td>$75,001 Above</td>
<td>Formal Sealed Bid, Request for Proposal</td>
</tr>
</tbody>
</table>

All requests for quotes for purchases of supplies, equipment, services and construction shall be made in accordance with the guidelines in the Purchasing Policy and Procedures Manual. Facsimile, electronic mail (email), mail or hand delivered quotes shall be accepted. All quotations received shall be maintained as public records and shall be open to public inspection after the award has been finalized. An exception to public disclosure would be for any submittals marked and accepted as “trade secrets” or “confidential”, *(Per ABA Model Procurement Code Regulation 3-104.01.5, Regulation 3-202.12.3).*

b. **Invitation to Bid (ITB)**

An Invitation to Bid is used when the purchaser knows exactly what is required. This is the preferred method of procurement for governmental entities and for UC purchases in excess of $75,000. Bids are solicited and evaluated strictly against the General Terms, Special Conditions and Specifications of the Invitation to Bid.

Section VI of this manual explains the procedures of the Invitation to Bid process.
c. Request for Proposal (RFP)

An RFP is to be used for purchases in excess of $75,000. An RFP is to be used when the purchaser has a general idea of what is required but cannot develop the special conditions and specifications which would have been used in an Invitation to Bid. Each proposal is evaluated by an evaluation team against pre-determined criteria for each RFP response.

d. Sole Source Purchases

In some instances, a product or service is only available from a single source or manufacturer. The requesting department shall document the circumstances and conditions of the sole source, using the Sole Source Justification form letter, from an authorized officer of the company in question, verifying that they are the sole source manufacturer or distributor of the product, material, or service desired is required for any sole source approval. All sole source justifications shall be re-approved every four (4) years or as deemed appropriate, and at the discretion of the Materials Manager. (Exhibit A-5)

e. Single Source Purchases

A single source procurement is utilized when a good or service may be available from more than one source. However, after evaluating price and quality, the single source vendor is the one that most closely matches the department’s requirements and/or technical specifications. The Single Source Form shall be completed by the requesting department Director. (Exhibit A-7)

C. COMPETITIVE FORMAL BIDDING EXEMPTIONS

Generally, a written justification should be provided before Competitive bidding is halted for a specific purchase. Formal competitive bidding Exemptions are as follows:

1. A single transaction that does not exceed the authorized amount for a formal competitive bidding procedure

2. Supplies, materials, equipment or contractual services that cannot be furnished by at least three (3) vendors, (Sole Source or Single Source), and/or three competitive bidders do not exist

3. Supplies or materials that are purchased under the terms of a renewable sealed bid for an annual contract or price agreement, not exceeding four consecutive years, which has been previously awarded by the Utilities Commission

4. Contractual Services including, but not limited to: gas, electricity and its associated invoices, telephone services, internet, and telecommunications, are purchased from a private provider, a public utility at a price or rate determined by the State Public Service Commission, or other government authority
5. Materials, supplies, equipment or contractual services that are purchased at a price that does not exceed those set forth by a State Purchasing Agency or any other State agency hereafter authorized to regulate prices for items purchased by the State agreements.

6. Contractual services such as, but not limited to: engineering, surveying, architectural, accounting, legal, medical, land and real estate related purchases, etc.

7. Impracticality - when the exact nature or amount is unknown, as in the case of: repairs, maintenance, alterations, inspections, etc., of existing facilities or equipment.

8. Emergencies that may cause damage, impair services to the customers or UC employees, or cause serious financial harm to the Utilities Commission.

9. Supplies, materials or equipment that are declared to be obsolete or surplus by the department director when sold at a government held public auction.

D. OTHER GOVERNMENTAL AGENCIES PURCHASING CONTRACTS

Competitive selection procedures are waived in the event that the desired goods and/or services may be purchased pursuant to purchase contracts of other governmental agencies to include any political subdivision of the State of Florida or the United States, The United States Federal Services Administration or cooperative purchasing consisting of a combination of these, when such contracts are the result of a competitive bidding process.

1. PIGGYBACKING

To obtain the benefits of volume purchases or reduce administrative expenses and time when procuring similar goods or services, the Commission may utilize a process commonly known as “piggybacking”. This term refers to the use of competitive bids or RFP’s obtained by other governmental entities.

In accordance with authority granted by Chapter 287 of the Florida Statutes, the Commission may utilize a competitive Bid or RFP solicited by any other municipal, county, state or federal governmental agency if such Bid or RFP is deemed to be in the best interest of the public but only if all the following requirements are met:

   a. The Commission’s Purchasing Agent has attempted to obtain a minimum of three informal quotes and has determined that the cost of the goods or services under the contract to be piggybacked is lower than the cost indicated by the quotes. It is understood that informal quotes may not be obtained in every situation, specifically when bid specifications are unavailable.

   b. The procurement item under consideration was publicly advertised, issued and awarded by bona-fide governmental agency. A copy of the solicitation, tabulation, award and executed contract have been obtained and are attached to the requisition.

   c. The contract is “piggybackable” including but not limited to the following instances:
      - It is for goods, supplies and materials that are rather generic, common and NOT unique in nature (i.e. lumber, pipe, etc.). It is NOT intended for professional services, including consultants, contracting, engineering, etc.
- It includes an assignability clause that allows for the assignment of all or part of the specified deliverable items OR written permission from the issuing agency has been received
- The specific items and quantities to be ordered were included in the original bid and evaluated as part of the contract award decision (there are unit prices and no specific quantities)
- The contract has not expired or if the initial term has passed, the contract has been extended or renewed
- The vendor consents to the piggybacking and executes a separate agreement with the Commission which confirms that the same prices, terms and conditions granted to the original contracting agency will be granted to the Commission
- A completed Piggyback Checklist Exhibit A-13 form is attached to the requisition
- Where the procurement requires the approval of the Commission because it exceeds applicable thresholds or is an unbudgeted expense, a copy of all documents required above will be attached to the agenda item

When piggybacking from a State of Florida, Department of Management Services contract (State Contract) or a Competitively Solicited Cooperative Contract items (b) and (c) do not apply.

**E. PROHIBITION OF INTEREST**

No purchase of supplies, equipment, contractual services or capital improvements shall be made from any person, firm or corporation in which Materials Management staff, or any officer or employee of the Utilities Commission has a material interest, or from a public official who may have approval authority in the approval process *(as defined by the Code of Ethics, Florida State Statute 112, 312.(2)(a) and Utilities Commission Code of Ethics)*. The Materials Management staff, any officer or employee of Utilities Commission will exercise reasonable care not to solicit or accept anything of value based upon an understanding that their judgment would be unduly influenced.
INVITATION TO BID (ITB)

SECTION VI

Upon receipt of a Purchase Requisition, the Materials Management Division will seek a source of supply, and enter into transactions for the purchase of the commodity or service in accordance with the provisions of this Purchasing Policies and Procedures Manual.

A. PROCEDURE FOR SECURING BIDS

The Materials Management Division must request formal sealed bids for purchases exceeding $75,000. If a “purchase” is defined as a contract (including leases) that may be extended over multiple periods or years, then the maximum dollar amount to be paid in any fiscal year shall be the amount considered to establish the requirement for requesting formal sealed bids. The Materials Management Division shall solicit bids from prospective vendors obtained through forums and media such as: Onvia/Demandstar, the Utilities Commission website, news publications, catalogs, etc.

The Materials Management Division shall attempt to secure at least three (3) bids. Advertisement of formal sealed bids shall be in accordance with the Utilities Commission Purchasing Policies and Procedures Manual as stated below.

All bids received and accepted shall be available for public inspection by appointment in the main office of the Materials Management Division during regular business hours thirty (30) calendar days after opening, or upon recommendation for award, whichever occurs first.

The COMMISSION reserves the right to award the contract to the Bidder(s) that the COMMISSION deems to offer the best overall bid. The COMMISSION is therefore not bound to accept a bid based on the lowest price. In addition, the COMMISSION at its sole discretion, reserves the right to cancel this Bid, to reject any and all bids, to waive any and all informalities and/or irregularities, to re-advertise with either the identical or revised specifications, or not award a contract at all if it is deemed to be in the best interest of the COMMISSION to do so. The COMMISSION also reserves the right to make multiple or split awards if it is deemed to be in the COMMISSION’S best interest. The COMMISSION shall not be responsible for any cost or expense incurred by the Bidder in preparing or submitting a bid or any cost prior to the execution of a contract agreement.

B. RESPONSIBILITY FOR SPECIFICATIONS

The preparation of specifications is the responsibility of the requesting department or division. Specifications shall permit competition except on non-competitive materials or services. In general, specifications should define the level of performance required rather than a specific design or brand name. For the benefit of vendors and the requesting department, specifications must be clear and concise. The specifications and technical data shall remain the property of the UCNSB and be retained confidentially by the vendor/consultant. The vendor shall use all reasonable measures to ensure the data is retained in a secure manner. Once the work/RFP is complete, the data/specifications are returned to the UCNSB.
C. PUBLIC NOTICE

Invitations to Bid or Requests for Proposal shall be furnished to an adequate number of bidders for the purpose of promoting competition. Notices of availability shall indicate where, when, and for how long Invitations to Bid may be obtained.

<table>
<thead>
<tr>
<th>Type</th>
<th>Times</th>
<th>Minimum*</th>
<th>Recommended**</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) ITBs, RFPs, IFNs, RSQs</td>
<td>1</td>
<td>10 days</td>
<td>20-30 days</td>
</tr>
<tr>
<td>2) Construction &lt; $200,000.</td>
<td>1</td>
<td>21 days</td>
<td>30 days</td>
</tr>
<tr>
<td>3) Construction &gt; $200,000.</td>
<td>1</td>
<td>30 days</td>
<td>30 days</td>
</tr>
<tr>
<td>4) Sale of Real Property</td>
<td>2</td>
<td>14 days</td>
<td>30 days</td>
</tr>
</tbody>
</table>

* Minimum – number of days from the date the public advertisement appears in the newspaper until the closing date.
** Public advertisement must also be at least 5 days before any pre-bid meeting.
  1) Utilities Commission Purchasing Policy Section V; 2) Florida Statutes 255.0525 (2);
  3) Florida Statutes 336.44(2); 4) Florida Statutes 125.35

Legal advertisement: The legal advertisement shall include the bid number assigned by the Materials Management Division, and a general description of the items to be purchased or sold. It shall also state where bid forms and specifications may be obtained, picked up or the person to contact if a copy is to be sent through the mail, envelope labeling instructions for mailing or special delivery, and the time and place for opening bids.

D. MASTER BID FOLDER

A master bid folder will be prepared and maintained by the Materials Management staff and contain individual file folders labeled as follows: 1) Original Bid, 2) Legal Ad and Pre-Bid Documentation, 3) Tabulation Sheet, Award Sheet, & Sign-In Sheet, Agenda Item, 4) Demand Star/Onvia Information 5) Bids received, bid specifications, proof of publication(s) of notice, list of specified bidders notified and tabulation sheets will be filed in the master bid folder. The master bid folder will be maintained by the Materials Management Division in a file cabinet and, as bids are received, the time and date will be noted on the envelope by the receiver and initialed. Bids received after the
Bid(s) shall be marked as ‘Late’ and will not be accepted or considered for evaluation.

E. BID ACCEPTANCE AND BID EVALUATION

Bids shall be unconditionally accepted without alterations or corrections. Bids shall be evaluated based on the requirements set forth in the documentation, which may include criteria to determine acceptability such as inspection, testing, quality, workmanship, delivery and suitability for a particular purpose. The criteria that will affect the bid price and be considered in evaluation for award shall be objectively measurable, such as discounts, transportation costs, and total or life cycle costs. The documents shall set forth the evaluation criteria to be used. No criteria may be used in bid evaluations that have not already been set forth in the documentation.

Confidential Data: The Utilities Commission understands the vendors concerns regarding confidential and/or proprietary information for participating parties. Upon receipt by UCNSB, responses to solicitations become public records subject to the provisions of Florida’s state policy on public records, Section 119 Florida Statutes. If the submitting vendor believes that any portion of their response is exempt from the Florida public record statute, the submitting vendor should clearly identify the specific documents for which confidentiality is claimed and provide specific legal authority of the asserted exemption.

The UCNSB data shall remain the property of the UCNSB and be retained confidentially by the vendor/consultant. The vendor shall use all reasonable measures to ensure the data is retained in a secure manner. Once the work/RFP is complete, the data/specifications are returned to the UCNSB.

F. BID BOND GUARANTEES

When deemed necessary, the Materials Management Division may require a bid guarantee and it will be so stated in the Notice of the Invitation to Bid (ITB). Unsuccessful bidders will be entitled to the return of their bid guarantee. A successful bidder shall forfeit any surety required by Materials Management Division upon failure to enter into a contract within a specified time.

G. ITB SUBMITTAL INFORMATION

At least one complete set of the bid documents will be furnished to prospective bidders. Bids shall be returned to the attention of the Materials Management Division in Duplicate or as stated in the bid document, in a sealed envelope, and marked in the lower, left-hand corner of the envelope with the bid number, bid name i.e. (Bid No. ## – YY Bid Title).

H. BID OPENING

The bid folder with all bids received will be taken to the designated bid opening location by the Materials Management Division staff. An attendance sheet will be presented to each person attending the bid opening. Staff will ensure that each person in attendance has signed in prior to the start of the bid opening. Any person that may arrive after the bid opening begins will also need to sign-in. The signed attendance sheet(s) will be filed in the bid folder after bids have been opened and recorded. All bids will be opened in the presence of interested bidders and/or the public. Bid packages will be received up to the closing
time as specified in the Invitation to Bid. The person accepting the bid is to record their initials, date, and
time they received the bid documents. The bid is not to be opened. In the event a bid is inadvertently
opened, it shall be immediately resealed with tape and initialed by the party who accidentally opened it.
No further action is needed, provided no other bidders have viewed the documents. In the unusual case
that another bidder viewed the documents, all bids will be rejected and will result in a re-bid. No bidder
is to be sent with their bid to find the bid opening location. Bids submitted after the specified closing time
in the Invitation to Bid shall be marked as ‘Late’ and will not be accepted or considered for evaluation.

Bids will then be opened by Materials Management staff. The names of the bidders and their prices will
be read aloud and recorded on the tabulation sheets. Each bid, bid envelope, and bid attachments will be
fastened securely together to prevent mixing of bid material. Each bid guarantee will be placed in a
Utilities Commission envelope, which will be carefully marked to identify which bid is enclosed, and the
check number or identifying number and amount will be recorded on the face of the bid. The sealed
envelope, containing the bid guaranties, will then be placed in a larger envelope, which will be marked
with the bid number and delivered to the Customer Service Manager for placement in the vault. In the
event only one bid is received, the right is reserved to defer the opening or accept and award the one bid,
whichever is determined to be in the best interest of the Utilities Commission by the Materials
Management Division.

I. LATE BIDS

Any Bid received after the time and date set for receipt of bids is late. Any withdrawal or modification of
a bid received at the designated place for opening shall be considered as late.

Late bids will not be accepted and will be returned unopened to the bidder marked LATE BID. Any bid
received not properly marked and opened in error will be so noted on the envelope and may be returned
to the bidder. A bid that is found after the opening but was clearly in the building and addressed properly
and is apparent that the bid was received on time but due to a clerical error was not given to the Materials
Management staff, will be accepted and recorded with the rest of the bids. If any suppliers were in
attendance for the bid opening, these suppliers shall be notified of this occurrence and provided with the
prices submitted for their records.

J. BID TABULATION

A bid tabulation will be prepared for all bids received and recorded during the bid opening. Said bid tab
shall remain as a permanent record in the bid folder. Upon completion of the bid opening, a copy of the
bid tabulation, one complete set of bids and illustrative literature received will be delivered to the
representative of the issuing department to be evaluated. The Materials Management staff will include an
award form to be filled out by the evaluating department director.

K. AWARD OF BIDS

The Materials Management Division will obtain a recommendation of award from the issuing
department/division prior to final award. If the low bidder and item are the suggestion of the
department/division's requisition, a recommendation of award based on the low bid shall be documented. If
the award is not made to the lowest bidder, the department director evaluating the bid shall submit to the
Materials Management Division full and complete documentation stating the reason why they do not
recommend award to the low bidder. The documentation will accompany the Board of Award
recommendation.

In determining the lowest responsive and responsible bidder, in addition to price, the Utilities Commission should consider the following factors in the award determination:

1. The ability, capacity, equipment, and skill of the bidder to perform the contract within the time specified, without delay or interference.
2. The character, integrity, reputation, judgment, experience and efficiency of the bidder.
3. The quality of performance on previous Utilities Commission contracts.
4. The previous and existing compliance by the bidder with laws and ordinances relating to the contract.
5. The ability of the bidder to provide future maintenance and service.
6. The ability of the bidder to comply with Utilities Commission requirements.
7. The number and scope of conditions attached to the bid.

The Materials Management Division reserves the right to challenge any award recommendation of the issuing department/division.

L. WAIVER OF IRREGULARITIES

The COMMISSION reserves the right to award the contract to the Bidder(s) that the COMMISSION deems to offer the best overall bid. The COMMISSION is therefore not bound to accept a bid on the basis of lowest price. In addition, the COMMISSION at its sole discretion, reserves the right to cancel this Bid, to reject any and all bids, to waive any and all formalities, informalities and/or irregularities, to re-advertise with either the identical or revised specifications, or not award a contract at all if it is deemed to be in the best interest of the COMMISSION to do so. The COMMISSION also reserves the right to make multiple or split awards if it is deemed to be in the COMMISSION’S best interest. The COMMISSION shall not be responsible for any cost or expense incurred by the Bidder in preparing or submitting a bid or any cost prior to the execution of a contract agreement.

M. TIE BIDS

1. In the event of a tie bid where quality and service are equal; a preference is given to vendors submitting, with the proposal, a certification of a drug free work place in accordance with Section 287.087 Florida Statutes.

2. Where tie bids of equal quality and service are between bidders, one of which is a business whose principal place of business is located in Volusia County and the other bidder is not, the recommended award shall be to the local bidder.

3. Past Performance - Consideration will be given to a vendor based on previous history and performance on similar Utilities Commission projects or requirements.
4. Delivery availability or completion period.

5. Capacity to perform in terms of service availability, facilities, personnel or financial availability.

6. Closeness to the delivery point.

If all conditions are equal, a flip of a coin, with two witnesses present, shall be the deciding factor.

N. SUNSHINE LAW AND PUBLIC RECORDS

If sealed bids are accepted for the ITB, they are not subject to disclosure until the Utilities Commission issues a notice of intent to contract, or thirty (30) calendar days have elapsed after bid opening, whichever is earlier. If bids are rejected, the Utilities Commission: (i) rejects all sealed bids submitted for ITB; and (ii) notice of rejection includes notice of intent to reissue the ITB, then the rejected sealed bids are not subject to disclosure until the Utilities Commission issues a notice of intent to contract based on the reissued ITB, or the reissued ITB is withdrawn or cancelled.
REQUESTS FOR PROPOSALS (RFP) & EVALUATION PROCEDURES

SECTION VII

This method is to be used when it is determined by the Materials Management Division that competitive sealed bidding is not practical and/or advantageous, as defined in ABA Model Procurement Code for State and Local Governments. It is to be used when the purchaser has a general idea of what is required but cannot develop the special conditions and specifications which could be used in an Invitation to Bid. Each proposal is evaluated by an evaluation team against evaluation criteria for each of the RFP responses.

A. GENERAL GUIDELINES

1. Members of an Evaluation Committee should be selected to include representatives from the client department, and other department/division(s) involved, and any other individual(s) with specialized expertise. The Materials Management Division shall serve on the committee as an ex-officio member. The members of the evaluation committee should be identified prior to the solicitation issuance and the recommended list sent to the Materials Management Division from the requesting department/division before proposals are received. In special circumstances (i.e. RFP for Audit Services) and prior to RFP evaluation, the recommended members of the Evaluation Committee shall be presented to the Utilities Commission Commissioners for approval at a regularly scheduled meeting.

2. The requesting department should select evaluation criteria (to include price whenever possible). Such criteria should be stated in the RFP.

3. The requesting department should assign a weight to all criteria by its relative importance.

4. The Materials Management Division shall advertise and issue the RFP and receive the proposals.

5. A summary of total scores for all vendors should be prepared after all members of the Evaluation Committee have reviewed and evaluated the written proposals. Selection and scoring shall be by majority vote.

6. A copy of all evaluation forms completed by each evaluator (or the committee's consensus score) and a written recommendation should be forwarded to the Materials Management Division for review and audit records.

7. The requesting department shall prepare an agenda item for the Utilities Commission approval.
B. PROCEEDURES

The purpose of these procedures is to establish an equitable and impartial process by which the Utilities Commission makes awards in competitive sealed proposal procurement for services of all types and when the Utilities Commission otherwise selects architects, engineers, landscape architects, surveyors and mapping/cartographers, in accordance with the requirements of Section 287.055, Florida Statutes. (See Section VIII on CCNA’S)

The Materials Management Division staff shall retain overall control of the administration of the competitive sealed proposal process, including scheduling, record keeping, advertising and distribution of proposals and other materials, and preparation of all documents and recommendations required by the Utilities Commission.

The following delineates specific responsibilities of appropriate parties during this process. These procedures also incorporate the methodology whereby the Utilities Commission makes awards in competitive sealed proposal procurement.

1. Materials Management Division:
   b. Confirms the selection criteria with the requesting department.
   c. Advertises and issues Request for Proposals (RFP), including evaluation criteria and weights as developed by the requesting department.
   d. Reviews received proposals in order to determine “prima facie” responsiveness.
   e. Distributes proposals to members of the Evaluation Committee.
   f. Meets with evaluation committee members to outline the process and explain roles and expectations of committee members.
   g. Posts results from Evaluation Committee

2. Requesting Department:
   a. Prepare Scope of Work for RFP
   b. Develop Evaluation Criteria and associated weights
   c. Suggest Evaluation Committee Members

3. Evaluation Committee:
   a. Evaluation Committee members shall individually review and score all submittals and such individual scoring shall be done on ranking sheets provided by the Materials Management Division. Scoring shall be based on the criteria provided in the Request for Proposal.
   b. The Request for Proposal may stipulate that oral presentations be made by “short-listed” firms before the Utilities Commission or staff for any proposal. Commissioners may also request oral
presentations by short-listed firms on any project. The proposer’s project manager who is named as the “day-to-day project manager” may be required to be present at such oral presentations. When a particular procurement contains complex controversial aspects, or if the project is one which will require close scrutiny, the user department may request the GM-CEO to confirm with the members of the Utilities Commission, prior to RFP issuance, to determine if oral presentations are desired.

c. When an oral presentation is to be part of the selection process, determined prior to RFP issuance, that fact will be advertised in the Request for Proposals.

d. Selection and scoring shall take place by totaling individual score sheets of committee members. All score sheets must be submitted to the Materials Management Division for filing, verification and final validation for correctness. The score sheets are checked for accuracy by the Materials Manager or Designee and compiled into a Summary and final score. The firm earning the largest number of points shall be selected. If oral presentations are required, the top three firms (or two firms based on received responses) will be informed and scheduled for presentations.

All discussions between staff and consultants regarding projects for which a Request for Proposal has been issued, but selection not yet made, must first be routed through the Materials Management Division. This includes the time frame from advertisement until contract execution.

A statement must be included in each Request for Proposal (RFP) advising prospective proposers to contact the Materials Management Division should they have any questions or concerns related to the proposal. If contact occurs, U.C. staff should not respond to any inquiry, document the contact, and immediately refer to the Materials Management Division. Should technical concerns/questions arise outside the expertise of the Materials Management Division; the requesting department will be contacted by Materials Management staff to obtain the answer(s). Materials Management staff will ask the requesting department to provide the answer(s) Materials Management staff will relay the answer(s) to the inquiring vendor/consultant and shall issue an addendum to all prospective proposers when the answer involves an issue of importance to prospective proposers.

The decisions of the Evaluation Committee are not final and must be ratified by the Utilities Commission. Therefore, discussions between Utilities Commission staff and consultants regarding projects, for which they have proposed, after Evaluation Committee meetings and prior to Commission approval, must be routed through the Materials Management Division.

Any person who initiates any discussions with staff in any manner other than as described above is subject, at the sole discretion of the Utilities Commission, to be disqualified from the particular procurement RFP.

All RFPs must state that the Utilities Commission is bound by statements made or information given during the procurement consideration and award process ONLY when such statements or information are written and executed under authority of the Materials Management Division.

C. SUNSHINE LAW AND PUBLIC RECORDS

If proposals are accepted for the RFP, they are not subject to disclosure until the Utilities Commission issues a notice of intent to contract, or thirty (30) calendar days have elapsed after proposal opening, whichever is earlier. If bids are rejected, the Utilities Commission: (i) rejects all proposals submitted for RFP; and (ii) notice of rejection includes notice of intent to reissue the RFP, then the rejected proposals are not subject to disclosure until the Utilities
Commission issues a notice of intent to contract based on the reissued RFP, or the reissued RFP is withdrawn or cancelled.

If the Utilities Commission requests proposers make presentations to better explain their proposals, such presentations must be made in a public meeting.

D. UTILITIES COMMISSION PREROGATIVES

Per Resolution No. 2018-02 approved at UC Meeting 4-23-18 Agenda Item 5-d:
For those positions appointed by The Utilities Commission, the Utilities Commission may determine by majority vote to sit as the Selection/Evaluation Committee under these rules and exercise all rights, duties and obligations of the Selection/Evaluation Committee. The Utilities Commission may also determine by majority vote to dispense with any 'cone of silence' requirement and may permit individuals to contact individual Commission members to discuss the proposal, subject to strict compliance with the Sunshine Law and other applicable portions of the Code of Ethics of Public Officers set forth in Chapter 112 Fla. Stat.
A. **CCNA “CONSULTANTS COMPETITIVE NEGOTIATIONS ACT”**

Florida Statute 287.055 governs requests for the purchase of professional services of architects, engineers, land surveyors, mappings, landscape architects. CCNA states that any project whose construction cost* is expected to exceed Category Five: ($325,000) or the professional fee for the design is expected to exceed Category Two: ($35,000) fall under the rules governing this law. Thereby these services may only be obtained by these qualifications. (*Currently in effect as specified in law)

B. **PURPOSE OF A REQUEST FOR STATEMENT OF QUALIFICATIONS (RSQ)**

The purpose of a Request for Statement of Qualifications (RSQ) is to select the most highly qualified firm to perform the task assigned.

C. **HOW TO ACQUIRE PROFESSIONAL SERVICES**

The requesting Department Director works with the Materials Management Division to draft a formal sealed Request for Statement of Qualifications (RSQ). The criteria for the selection committee to base their decision of the most qualified consultant shall be outlined in the request. Items used for this include but are not limited to the following criteria:

1. Projects done in last 10 years (similar)
2. Consultant’s understanding of the project
3. Staffing requirements
4. Location of office
5. Financial stability
6. Insurance
7. Occupation license
8. References
9. Availability (use in case of emergency)
10. Expertise in the services to be performed
11. Other relevant information, including estimating accuracy
D. REVIEW PROCESS

Submittals will be reviewed and evaluated as to qualifications to perform the services required by a selection committee, consisting of qualified Utilities Commission staff, based upon the information submitted and the requirements requested. Members of an Evaluation Committee should be selected to include representatives from the client department, and other department/division(s) involved, and any other individual(s) with specialized expertise. The Materials Management Division shall serve on the committee as an ex-officio member. The members of the evaluation committee should be identified prior to the solicitation issuance and the recommended list sent to the Materials Management Division from the requesting department/division before proposals are received. The committee will review the submittals and recommend a short list of three (3) to five (5) firms. In-person interviews may be required for selecting the short list. If interviews are required, no more than five (5) firms will be interviewed from which three (3) firms will be selected and ranked for negotiation in accordance with the “Consultants Competitive Negotiations Act” (CCNA), (per Chapter 287.055, of the Florida Statutes).

E. SELECTION COMMITTEE

The selection committee is to meet with the Materials Manager to discuss the goals of the project and the members role in the process. The committee will score each submittal in accordance with a predetermined set of evaluation factors and associated weights. Individual scoring sheets are submitted to the Materials Manager who compiles them into a summary. The requesting Department is notified and given the results of the rankings. The requesting department then writes a letter to the top firms and lets them know their ranking, advising the top-ranking firm that they will be contacted by the requesting Director as to a time and place to open negotiations. The requesting Director may negotiate the Contract on their own. Should no agreement be reached, the consultant will be told that their submittal has not been accepted (and negotiations cannot be reopened) and the second top ranking firm will be notified via a certified letter and advised of the U.C.’s interest in opening negotiations. This will continue until a firm has been selected, per Chapter 287.055, of the Florida Statutes.

One-on-one negotiations do not have to be published nor conducted in public. If no agreement can be reached with the top-ranking firm, then the next firm is selected and so on as defined above, until a contract is written, or the service request is cancelled at the Utilities Commission’s sole option.

F. PURCHASING CATEGORIES

Purchasing Categories* per Florida Statutes Chapter 287.017 as follows:
*Currently in effect as specified in law

1. CATEGORY ONE: $20,000
2. CATEGORY TWO: $35,000
3. CATEGORY THREE: $65,000
4. CATEGORY FOUR: $195,000
5. CATEGORY FIVE: $325,000
G. ADMINISTRATION OF CCNA CONTRACTS AND TASK WORK ORDERS / AUTHORIZATIONS

1. Purpose:

Continuing contracts for engineering, architectural, landscape architectural, surveying/mapping services provide a timely and efficient means to acquire professional services to support Utilities Commission operations. These procedures are consistent with the requirements of Florida Statute 287.055.

2. Definitions of Contractual Elements of Cost:

a. "Continuing Contract" shall mean a contract for architectural/engineering surveying/mapping/landscape architectural services established on an annual or ongoing basis whereby the firm provides professional services to the Utilities Commission for projects in which construction costs* do not exceed $4,000,000, for study activity when the fee for such professional services* does not exceed $500,000 or for work of a specified nature as outlined in the contract required by the Utilities Commission. *Currently in effect as specified in law

The continuing contract specifies the types of services or projects to be performed, hourly rate, schedule, and duration of the contract. Services for study activity or designs for construction, renovation, or rehabilitation activities are rendered on an as needed basis by means of a negotiated task authorization as defined below. Pricing shall be included in project-specific task authorizations issued against the continuing contract. Continuing contracts are established utilizing competitive sealed proposals. "Task Authorization" shall mean a project-specific work order issued against a continuing contract. Task authorizations specify the specific project, project schedule, completion time, detailed scope of services, and total compensation for the task authorization. "Study Activity" shall mean professional services involving research, investigation and/or evaluation which result in the presentation of findings, recommendations and/or a general plan for resolving a problem or need, but which do not involve the preparation of specific project designs, plans, specifications or other documents for use in obtaining priced proposals or awarding construction contracts.

b. Engineering and architectural services contracts may be established on a continuing basis for a maximum of four (4) years, (Chapter 85-503, Laws of FL, Special Acts of 1985), consisting of the initial year and renewed at one (1) year intervals thereafter for the remainder of the contract period. Contracts shall include a clause which allows the Utilities Commission to terminate at any time without cause with payment limited to services satisfactorily performed through the effective date of termination.

c. All task authorizations should be negotiated on a lump sum basis to the extent possible. Such task authorizations should include an attached fee proposal showing: the labor classifications, number of hours, contract hourly rate, break-even multiplier, profit margin, reimbursable, expenses and sub-consultant fees to determine overall lump sum cost.
A. APPROVAL PROCESS

Every contract or agreement for purchase of supplies, materials, equipment, contractual services, construction contracts, or enterprise-wide agreements in excess of $75,000 shall require the approval, via agenda item, of the Utilities Commission Commissioners.

If an Emergency approval over $75,000 is required prior to the next Commission meeting, the CEO/General Manager shall approve the emergency request and the impacted Division shall have an agenda item prepared for the next Commission meeting for the Emergency approval.

B. REJECTION OF ITB/RFP/RSQ/etc.

The Utilities Commission reserves the right to waive informalities in any ITB/RFP/RSQ, to reject any and all ITB/RFP/RSQ, in whole or in part, with, or without cause, and/or accept the portions thereof that in its judgment will be in the best interest of the Utilities Commission.

C. LOWEST RESPONSIBLE BIDDER

In determining lowest responsible evaluated bid, the following may be considered in addition to price:

1. Whether the bidder has the ability, capacity and skill to perform or provide the service or products.

2. Whether the bidder can perform, provide promptly or within the specified time, without delay or interference.

3. Documented poor past performance or documented poor quality of products previously supplied.

4. The bidder has sufficient financial resources to perform requirements of the bid.

5. The bidder has the ability to provide future maintenance and service of the contract.

6. The number and scope of conditions and/or exceptions attached to the bid.

7. If award is not made to lowest bidder, the Department Director evaluating the bid shall submit to the Materials Management Division full and complete documentation stating the reason they do not recommend awarding to the low bidder. This documentation will also accompany or be stated within the agenda item presented for approval by the Utilities Commission.
D. TIE BIDS

1. In the event of a tie bid where quality and service are equal; a preference is given to vendors submitting, with the proposal, a certification of a drug free work place in accordance with Section 287.087 Florida Statutes.

2. Where tie bids of equal quality and service are between bidders, one of which is a business whose principal place of business is located in Volusia County and the other bidder is not, the recommended award shall be to the local bidder.

3. Past Performance - Consideration will be given to a vendor based on previous history and performance on similar Utilities Commission projects or requirements.

4. Delivery availability or completion period.

5. Capacity to perform in terms of service availability, facilities, personnel or financial availability.

6. Closeness to the delivery point.

If all conditions are equal, a flip of a coin, with two witnesses present, shall be the deciding factor.

E. BID BOND REQUIREMENTS

If required, the bidder must submit with the bid a Bid Bond in the amount stipulated in the bid documents, usually 5% or 10%, of the total bid. This is to ensure the bidder will not withdraw his bid for a certain period of time noted in the bid documents. If the bidder withdraws his bid before the time period ends, the bond is forfeited to the owner (Utilities Commission).

F. PERFORMANCE AND PAYMENT BOND REQUIREMENTS

Vendors may be required to provide a Performance/Payment Bond to guarantee the full and faithful performance of the contract obligation and the payment of all labor and materials expended pursuant to the contract in such an amount as deemed necessary by the Utilities Commission, Requesting Department and/or the Materials Management Division.

If a bond is required, the bidder whose proposal is accepted shall furnish a Performance/Payment Bond within a stipulated period of time. The bond shall be in the amount of one hundred percent (100%) of the total contract price or as specified in the Invitation to Bid Document or Request for Proposal to ensure full and faithful performance of contract.
G. MAINTENANCE OF BID/CONTRACT FOLDERS

It is the responsibility of the Materials Management Division staff to establish and maintain a bid/contract folder for each formal Invitation to Bid, Request for Proposal, etc. All documents pertaining to the bid/proposal including proof of legal advertisement, specifications, original bids, no-bid replies, tabulations, letters of complaint and any other documentation shall be maintained in a folder marked with identifying bid information. The contents of the folder shall be kept organized and in an identifiable order. Any employee having a need for information regarding the bid documents shall inspect the contents of the folder in the Materials Management area. The original package is to be returned to its proper file location and shall not be removed from the Materials Management area. Authorization from the Materials Management Division shall be obtained prior to making copies.
CHANGE ORDERS AND CONTRACT
AMENDMENTS

SECTION X

Change Orders/Contract Amendments are written amendments to a contract or purchase order, which normally revise the quantities or makes changes within the scope of services and may include an extension of time to complete the contract.

A. FORMAL CONTRACTS – PROCEDURE AMENDING/CHANGES AFTER AWARD

If an overall project’s actual expenditures exceed the budget by over/under 15% the project and the variance drivers must be presented to the CFO.

- If the project’s variance to its original budget is $75,000 or less, the CEO will review and sign-off.
- If the project’s variance to its original budget is over $75,000, the CEO and the Utilities Commission Commissioners will approve.

The change order amounts referenced above are only related to an individual contract. The project manager must provide variance explanations for the overall project. See Section V Methods of Purchasing for overall project variance thresholds.

If a change due to unknown or unforeseen circumstances is outside the scope of the original project or procurement as determined by the Materials Management Division, coordination with the impacted department’s Director is essential to determine if a new Invitation to Bid must be issued, unless bidding would cause a significant delay or other adverse impact on the project. Alternatively, a new contract with the existing contractor may be negotiated, provided said contractor is qualified and available to perform on the new project, or is capable of securing the services of a qualified subcontractor. Extension of time frame for completion of contract may also be authorized by the Materials Management Division.

B. CHANGES TO PURCHASE ORDERS

Whenever a change of any kind is required on a purchase order, the requesting department/division’s director will request the change via a memorandum or email defining the change to the original request and deliver it to the Materials Management Division. Only the Materials Management Division will be authorized to change the original purchase order. If the change to the purchase order is $5,000 or greater, the Director of Finance must also be copied in the request. Changes of this type are usually the result of a repair. Wherein once the unit is disassembled, the true cost is discovered. Any change order greater than the sealed bidding threshold requires Utilities Commission approval.
The Utilities Commission encourages prompt and ethical handling of all protests and disputes with the business community. In order to resolve disputed matters in an equitable manner without fear of retribution on the part of the vendor, the following procedures are adopted:

The Materials Management Division, or representative, shall post a tabulation of bids received along with the intended award recommendations or a short list of proposers on the Utilities Commission web site.

A. BID PROTESTS (see ABA The Model Procurement Code for State and Local Governments R9 101.03).

When filing a protest, it must be made in writing to the Materials Management Division and shall be filed in duplicate within 14 calendar days after the protestor knows or should have known of the facts giving rise thereto. For the Commission’s purpose, the time period shall be either fourteen (14) calendar days before the bid opening or fourteen (14) calendar days after the bid opening, whichever applies. A protest is considered filed when received by the Materials Management Division. Protests filed after the fourteen (14) calendar day period shall not be considered.

To expedite handling, the envelope must be labeled “Protest” and must include: (a) name and address of protestor; (b) appropriate identification of the procurement, and, if a contract has been awarded, its number; and (c) a statement of reasons.

Protests of solicitation specifications should be filed as soon as possible, but not less than 72 hours prior to bid closing. According to the Model Procurement Code guidelines, fourteen (14) days advance notice is recommended but not always practical. Requests for change or protest must include the reasons for the protest and any proposed changes to the specifications or provisions. The Utilities Commission is not required to consider such requests received after a pre-established deadline.

B. PROTEST POLICIES

A vendor / bidder may protest the award of any item, service, material or contract at any time. If prior to award, (Per ABA Model Procurement 9-202), it is determined that a solicitation or proposed award of a contract is in violation of law, the solicitation or proposed award shall be: a) Cancelled; or, b) Revised to comply with the law.
If after an award, it is determined that a solicitation or award of a contract is in violation of law then: 

(Per ABA Model Procurement 9-203)

1. If the entity awarded the contract has acted responsibly and in good faith:
   a. The contract may be ratified and affirmed, provided it is determined that doing so is in the best interest of the Utilities Commission; or
   b. The contract may be terminated, and the entity awarded the contract shall be compensated for the actual expenses reasonably incurred under the contract, plus a reasonable profit, prior to the termination;

2. If the entity awarded the contract has acted fraudulently or in bad faith:
   a. The contract may be declared null and void; or
   b. The contract may be ratified and affirmed if such action is in the best interest of the Utilities Commission, without prejudice to the Utilities Commission’s rights to such damages as may be appropriate.

C. TIME FOR DECISIONS (per ABA Model Procurement R9-101.07)

A decision on a protest shall be made by the Materials Management Division, CFO or General Manager/CEO as expeditiously as possible after receiving all relevant, requested information. If a protest is sustained, then the protesting bidder or offeror shall be entitled to the reasonable costs incurred in connection with the solicitation, including bid preparation costs other than attorney’s fees.
A. RESPONSIBILITY

Disposal of surplus, worn out or obsolete material and equipment, including vehicles, shall be conducted by the Materials Management Division and shall be administered in the best interest of the Utilities Commission and its Departments. Various resolutions but not limited to Resolution Nos. 11-80, 17-80, 3-04, and 2020-02, provide guidelines and procedures as to the disposal of Utilities Commission property, which includes the requirements necessary for Utilities Commission approval.

B. NOTIFICATION TO MATERIALS MANAGEMENT DIVISION FOR DISPOSAL

Each department/division shall notify the Materials Management Division by Disposal form (Exhibits A-3 & A-4) of surplus items for disposal. The memorandum shall specify the following:

1. Number of items to be disposed.
2. Complete description of item(s) - example: M-5 Red 1971 Gremlin ID# E-17BAC98548
3. Asset Tag number (if available).
4. Location of items. Items available for surplus should also be moved to a location to be determined by the Materials Management Division.

C. STORAGE OF SURPLUS ITEMS

1. All surplus vehicles will be stored at a location to be determined by the Materials Management Division. The department/division director shall call the designated storage yard personnel just prior to delivery and turn over the keys and license plates to a designee of the yard for the Materials Management Division. The identifying vehicle number is to remain on the vehicle until determination is made by the Materials Management Division as to the correctness of the VIN # on the disposal slip for proper disposal.
2. Small items of office equipment will be stored at a central location to be designated by the Materials Management Division. Small items consist of the following:
   a. Office equipment
   b. Furniture including desks, cabinets, bookcases, copiers, file cabinets, chairs, etc.
   c. Refrigerators, coffee makers, etc.
   d. Computers, printers, and all peripheral devices

D. METHODS OF DISPOSAL

Surplus, obsolete or worn out material may be disposed of by one of the following options. These disposal options are ultimately determined by the Materials Management Division:

1. Transfer to other departments
2. Trade-in on new equipment
3. Return to manufacturer or supplier for credit
4. Spot Quote/Direct Sale (for items no bids/quotes were received or of small dollar value, less than $1,000 per item)
5. Donate to charitable organization
6. Advertise, for bids/quotes, and offer for sale via on-line bidding websites such as publicsurplus.com as deemed appropriate by the Materials Management Division, (per Sections V and VI).
7. Scrap sales
8. Junk / Trash
9. Auction

E. WITHDRAWAL FROM SURPLUS

No withdrawal of surplus items will be permitted once the notice of sale is published and/or posted. Departments will be furnished with a list of surplus items prior to advertising, to permit other departments/divisions the opportunity to request a transfer of the item for use in their department.
F. CONDITIONS OF SURPLUS

Surplus is offered for sale “WHERE IS” and “AS IS” without recourse against the Utilities Commission. Warranties are not issued or implied.

G. DISPOSAL OF SURPLUS OR OBSOLETE SUPPLIES, MATERIALS OR EQUIPMENT

1. No surplus or obsolete supplies, materials, or equipment valued at more than $25,000 may be sold until written findings if required in compliance with Resolution No. 2020-02 (master bond resolution) and the Utilities Commission Commissioners have approved and declared them obsolete or surplus, and by resolution, if required.
   a. In the event of a planned sale or auction (online or otherwise) of excess vehicles or other higher value UC equipment or vehicles, the Purchasing Department and the CFO will provide the COMMISSION advance notification of the sale that is scheduled to occur. After the sale has concluded, the CFO and Purchasing Department will provide an update on the disposal results.

H. PROHIBITION OF INTEREST

Sale of surplus property to Materials Management Division or their relatives is prohibited. All other employees are permitted to bid on any items for sale once publicly offered via sealed bidding, spot quotes or public auction.

I. REAL PROPERTY

ANY surplus real property or real property considered as available for sale MUST be approved through the normal procurement approval process including but not limited to the Department Director, CFO, CEO, and/or the Commission. Real property includes but is not limited to the following: items of a permanent nature over or under land, buildings, ponds, canals, roads, easements, improvements, etc.
A. FUNCTION

The Warehouse/Central Stores falls under the supervision of the Materials Management Division, which is a unit within the Finance Department. The Warehouse is responsible to inspect (or supervise the inspection), test and receive all commodities, supplies and equipment received into the warehouse and to determine their compliance with the specifications set forth in the purchase order or contract.

B. INSPECTION AUTHORIZATION

The Materials Management Division authorizes the requesting department/division to assist in the inspection and receiving on orders shipped directly to them against a Utilities Commission purchase order. The department/division representative shall use the following checklist to check for compliance:

1. Check all packages and weights against shipper’s manifest.

2. Observe and record condition of packing or other evidence of rough or faulty handling, with carrier’s representative present and prior to acceptance. Qualify acceptance accordingly.

3. Check all items to verify vendor’s packing slip and receiving copy of purchase order for quantity ordered versus received.

4. Arrange for detailed inspection and testing of items to ensure specifications are met.

5. Record receipt, partial or complete, on warehouse copy of purchase order and forward a copy to the Accounting Division.

6. Mark, label and repackage as required.

7. Store, charge-out and provide inventory control for material.
C. DEPARTMENT ACCEPTANCE PROCEDURE (Direct Turnover)

Upon receipt of materials, and after inspection and testing, the receiving department will properly complete the receiving copy of purchase order or voucher request if no purchase order was issued for payment. Any variation in quantity will be noted on the receiving copy of the purchase order. If the quantity received does not agree with the vendor’s packing slip, the Materials Management Division shall be notified at once of the discrepancy; or, if the materials delivered are not in compliance with the specifications and are not acceptable to the receiving department, they shall notify Materials Management at once of the reasons for withholding acceptance. The Materials Management Division will take immediate steps to resolve the discrepancy by either requesting replacement or ordering the needed material from an alternate supplier.

D. OUTSIDE TESTING

The Materials Management Division will make the necessary arrangements to procure outside testing services when requested and/or required.

E. PARTIAL RECEIVING REPORTS

When partial shipment is made on an order, the partial receiving report will be annotated on the warehouse copy of the purchase order, noting quantity received and attaching the packing slip with a copy of the purchase order. These documents are then forwarded to the Accounting Division for payment.

F. RECEIVING DOCUMENTS SENT TO ACCOUNTING

When sending receiving documents to the Accounting Division for posting items ordered into warehouse inventory, the following procedures and set-up shall be adhered to by the receiving person.

Place the documents in the following order from top to bottom:

1. Original Invoice, if received,
2. Receiving documents/packing slips,
3. Copy of PO [Annotate the quantities received (circle it) next to the Quantities ordered].
   a. If this is a partial or complete order, denote as such on PO copy sent to Accounting.
A. VENDOR INFORMATION (Exhibit A-1)

A new vendor who wishes to do business with the Utilities Commission is required to complete a vendor information form. This form provides the Commission the proper name of the entity, the mailing and remit to addresses, telephone and facsimile numbers, web and email addresses, Federal ID or SS numbers, tax status, business status, and commodity or service supplied. The form will be submitted to the Materials Management staff, which is responsible for assigning a vendor number and entering into the supplier database.

B. VENDOR REVIEW (Exhibit A-2)

The Utilities Commission utilizes a “Vendor Review” form for the purpose of providing a standard means for all requesting department/divisions to report to Materials Management any discrepancies or deficiencies on the part of a vendor, or the products/services furnished by the vendor, which do not meet the standards and specifications of the purchase order/contract. The form further provides a means by which the requesting department/division may obtain factual reports relative to the performance of a vendor to furnish supplies, equipment, material and/or services to the Utilities Commission. Since this form will become a permanent record in the vendor’s performance file, it is important that all pertinent facts, including a recommended action, be completely documented, using additional pages attached to the form when necessary. The form is to be completed by the individual who has experienced the problem(s) and shall be signed by the director of the division. A copy is to remain in the requesting department/division and the original sent to the Materials Management Division. Upon receipt of the form, the Materials Management Division will discuss the issue with the vendor.

Departments having problems with a vendor need to fill out a Vendor Review Form (Exhibit A-2) and submit this to the Materials Management Division. The Materials Management staff will contact the vendor in an effort to compromise within the best interests of the Utilities Commission, if possible, or to rectify the problem. If the problem continues, the vendor will be placed on notice that failure to correct any existing problems shall be grounds for removal from Utilities Commission active supplier base for 30 – 60 days or as determined appropriate by the Materials Management Division. After reinstatement of a removed vendor, as determined by the Materials Management Division, they will be put on a probationary period of one (1) year. Any failure to deliver the product/service may result in permanent removal from Utilities Commission vendor database.

C. PROPERTY DISPOSAL CERTIFICATE – (Exhibit A-3)

The department director shall prepare the Property Disposal Certificate form for disposal of all Utilities Commission property that is considered a fixed asset. The description shall be in sufficient detail to allow positive identification. List the property identification tag number which may have been affixed to the property. This form is sent to the Material Management staff for disposal or transfer of this item. Once the disposal process is complete, the form is given a number, recorded and sent to the Fixed Asset Accountant to calculate the book value. The form is finally signed by the CFO.
D. REQUEST FOR DISPOSAL OF EXPENSED PROPERTY- (Exhibit A-4)

The Request for Disposal of Expensed Property form will be used to dispose of materials which have been previously expensed and are no longer required or useful to the operations of the Utilities Commission. This form is to be completed by the requesting division. The date, description and quantity of the material to be disposed of shall be in sufficient detail to properly identify. The form shall be signed by the director of the division and sent to the Material Management staff for disposal or transfer of this item(s). The form is given a number and recorded in a disposal log for a bid, auction, transfer, trade-in or trash. The final disposal action is noted, when completed in the surplus log book.

E. SOLE SOURCE JUSTIFICATION (Exhibit A-5)

The Sole Source Justification form is to be completed by the requesting department/division when making a request for a sole source purchase and signed by the requisitioner and the Department Director, stating the reason this purchase can only be obtained from a specific supplier or manufacturer. The department is to attach any backup documentation along with the sole source justification form request. The Materials Management staff reserves the right to challenge the eligibility of the purchase when deemed appropriate. If the Materials Management staff finds that the commodity or service cannot be competitively bid or would not be in the best interest of the Utilities Commission to do so, then approval will be granted. If approved, the Sole Source Justification form will be assigned a number by the Materials Management Division and the original is placed in the sole source log with a copy being attached to the file copy of the purchase order.

However, if the Materials Management Division feels the purchase can be obtained from other sources, competitive quotes, a Request for Proposal (RFP) or an Invitation to Bid (ITB) will be issued. The CFO along with the Materials Management Manager can also review the sole source justification to determine the best course of action for the Utilities Commission.

F. PURCHASING CARD REQUEST/CERTIFICATION/RECEIPT (Exhibit A-6)

The Purchasing Card Request/Certification/Receipt form is used to order a Visa Purchasing Card for a Utilities Commission employee. It is to be filled out and approved by the director of the division and the original is sent to the Purchasing Card Administrator for processing. Information needed is the employee name, department/division, single purchase limit (up to $1,000) and the 30-day limit (up to $5,000), travel allowance, and the division director’s signature. The Purchasing Card Administrator orders the card, sets up the account, and completes the rest of the information. When the card is ready for pick up, the training will be scheduled. The employee signs the form stating he/she understands the duties and obligations of the Utilities Commission Purchasing Card Program. A file is set up for each card holder and retained in the Material Manager’s office.

G. SINGLE SOURCE (Exhibit A-7)

The Single Source Form shall be filled out for purchases where after a thorough analysis of all possible suppliers is completed, the supplier is chosen largely based on price. The provider also may be chosen based on the quality of the goods it offers. After evaluating price and quality, the single source vendor is the one that most closely matches your needs and wants.
H. SMALL PURCHASE PRICING MEMORANDUM (Exhibit A-8)

The Small Purchase Pricing Memorandum form is to be used by the Materials Management staff to document price reasonableness for purchases of less than $7,500. This form documents the reasons for restricting competition anytime a purchase is made from only one source or when competition has been restricted.

I. NOTICE OF EMERGENCY PURCHASE (Exhibit A-9)

The Notice of Emergency Purchase form shall be filled out for all emergency purchases over $5,000. Materials Management will assign a number and maintain a log of all emergency purchases requested from the departments/divisions.

J. NEW ITEM/DESCRIPTION CHANGE FORM (Exhibit A-10)

The New Item/Description Change form is to be completed by the requesting department/division and approved by the director of the department when a new item is to be added to the Central Stores Warehouse inventory. The New Item/Description Change form shall be completed by filling out the manufacturer’s part number, requesting department/division, a complete description, a reorder point, a high stock limit, and unit of issue, (i.e. each, box, ft etc.). The completed form is sent to the Materials Management Division to review and assign a stock number. It is then forwarded to the Purchasing Assistant to enter into the inventory database. The first order will be placed once the item is entered into the system and appears on the reorder report, which is generally in the following week.

K. VOUCHER REQUEST (Exhibit A-11)

A voucher request is an internal form used to request payment for routine sole source type items, such as subscriptions, warranty/maintenance agreements, legal ads, professional dues, and other miscellaneous items as deemed appropriate and as identified in these procedures. The form is normally completed by the requesting department/division after an invoice has been received. The requesting Department must supply the following information obtained from the invoice: name, address, date, invoice number, amount and total. The requesting director shall sign and verify the information provided as being correct. Voucher Requests are not to be used to process payment for goods and services which can be acquired via Purchase Order.

L. PROJECT REQUEST FOR EXPENDITURE (Exhibit A-12)

The Project Request for Expenditure Form (PRE) is filled out in accordance with Section V. This form is to be used for all O&M and Capital expenditures. See the excel template for complete form and instructions. In general, for purchases, between $5,000 and $10,000, the Director and the CFO are to approve. For purchases in excess of $10,000, the CEO must also approve – See Section V for complete approval levels.
M. PIGGYBACK CHECKLIST (Exhibit A-13)

To obtain the benefits of volume purchases or reduce administrative expenses and time when procuring similar goods or services, the Commission may utilize a process commonly known as “piggybacking”. This term refers to the use of competitive bids or RFP’s obtained by other governmental entities.

In accordance with authority granted by Chapter 287 of the Florida Statutes, the Commission may utilize a competitive Bid or RFP solicited by any other municipal, county, state or federal governmental agency if such Bid or RFP is deemed to be in the best interest of the public but only if certain requirements are met. The piggyback checklist shall be sent to Materials Management with the requisition when the requesting department intends on piggybacking an existing agreement for a purchase. “Piggybacking” is intended to be used for common, non-specialized materials and certain services. It is NOT to be used for consulting or other professional services.
A U.C. Resolution and plaque were prepared to express appreciation for the dedicated and honorable service performed by William (Bill) Biedenbach from September 2011 to September 2020 on behalf of the Utilities Commission.

Chairman Biedenbach provided his professional knowledge and business acumen acquired through private business ownership and engaged in active personal participation within various community service activities. These attributes were utilized in fulfilling the obligations of his public service position as a Utilities Commissioner.

Chairman Biedenbach served for a total of three full terms as a Utilities Commissioner - nine consecutive years, and also served in the position of Chairman for four consecutive years.

RECOMMENDED ACTION:

A motion to approve U.C. Resolution No. 2020-12, a resolution of appreciation for the honorable service of William (Bill) Biedenbach as a Utilities Commissioner from September 2011 to September 2020; followed by presentation of a plaque.
RESOLUTION NO. 2020-12

A RESOLUTION OF APPRECIATION FOR THE HONORABLE SERVICE OF WILLIAM “BILL” BIEDENBACH, AS A UTILITIES COMMISSIONER ON BEHALF OF THE UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA, RESCINDING ALL RESOLUTIONS, OR PORTIONS THEREOF, IN CONFLICT HEREWITH AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Utilities Commission, City of New Smyrna Beach, Florida, was duly created and validly existing under and by virtue of Chapters 67-1754 and 85-503, Laws of Florida, as the governing body of the utility system of the City of New Smyrna Beach, Florida; and

WHEREAS, the City Commission appointed William Biedenbach, to serve as a Utilities Commissioner commencing in September 2011 for an initial three-year term; and

WHEREAS, Commissioner Biedenbach provided professional knowledge and business acumen acquired through private business ownership and engaged in active personal participation within various community service activities. These attributes were then utilized in fulfilling the obligations of his public service position as a Utilities Commissioner.

NOW, THEREFORE, BE IT RESOLVED BY THE UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA, AS FOLLOWS:

SECTION 1: The Utilities Commission, City of New Smyrna Beach, Florida does hereby express our appreciation to William “Bill” Biedenbach, for his dedication and honorable service as a Utilities Commissioner for a total of three full terms - nine consecutive years, commencing September 2011 and until September 2020. During his tenure, Mr. Biedenbach contributed significantly to the business performance of the Commission through effectively and diligently performing the various official roles of the Commission, including Chairman for four consecutive years.

SECTION 2: If any section, subsection, sentence, clause, phrase, or portion of this Resolution is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions thereof.

SECTION 3: All Resolutions, or portions thereof, in conflict herewith are hereby rescinded and superseded.

SECTION 4: After adoption by the Utilities Commission, this Resolution shall take effect immediately upon passage.
THE ABOVE AND FOREGOING RESOLUTION was introduced at a Regular meeting of the Utilities Commission, City of New Smyrna Beach, Florida, held on September 28, 2020, by Commissioner ____________________, who moved its adoption, which motion was seconded by Commissioner ____________________, and upon roll call vote of the Commission was as follows:

CHAIRMAN ___________________________ _____

VICE CHAIRMAN ___________________________ _____

SECY.-TREAS. ___________________________ _____

ASST. SECY.-TREAS. ___________________________ _____

COMMISSIONER ___________________________ _____

APPROVED: ___________________________ ATTEST:

______________________________
CHAIRMAN

______________________________
SECRETARY-TREASURER

______________________________
APPROVED AS TO FORM AND CORRECTNESS:

S E A L

Utilities Commission Attorney