5-26-20 Webex Meeting Instructions:
After assisting and confirming connectivity to the Webex meeting, Mr. Bunch thanked all for logging on early and stated he would be turning this over to Mrs. Pitcher, the assigned Meeting Facilitator, to get things started.

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

Mrs. Pitcher continued by stating before we proceed with the posted agenda permit me to cover some ground rules for effective and clear conduct of our business and to ensure accurate meeting minutes. Commissioners – the Chairman will introduce each section and each speaker on the agenda. After they conclude their remarks the Chairman will invite each Commissioner by name to provide any comments, questions, or motions. Please hold until your name is called. Remember to mute your phone or computer when you are not speaking. Remember to speak clearly and in a way that generates accurate minutes. For any response, please wait until the Chairman yields the floor to you and state your name before speaking. If Commissioners wish to engage in discussion with other members, please do so through the Chairman, making sure to identify yourself. UCNSB staff or CEO will refer to you specifically if comment is required. Please keep your phone or computer muted when you are not speaking. Please speak clearly and remember to identify yourself by name and title before speaking. Members of the Public – Public participation will be moderated by the Meeting Facilitator. The Facilitator will afford public comment as follows: The Facilitator will first ask members of the public who are on the line and wish to speak to identify their names and addresses only. Please do not proceed with your comments at that time. After obtaining all names, the Facilitator will proceed by introducing each participating member one at a time. You may proceed with your comments when your name is called. Once your time is complete, please mute your line. After participation of the public on the line, comments
5-26-20 Webex Meeting Instructions (cont.):
previously received will then be read into the record by the Facilitator. Mrs. Pitcher then
stated as a preliminary matter we’re going to confirm that all members are participating.

After Mrs. Simmons confirmed participating Commissioners, Chairman Biedenbach stated all
right, we will start this meeting with the Pledge of Allegiance and a quick prayer. Mr. Bunch,
will you please lead us in the Pledge of Allegiance. After the pledge, Chairman Biedenbach
led in an invocation and then requested for an official roll call of the Commissioners taken.
The below Commissioners, and staff members, were in attendance at this virtual meeting:

Commissioner Jack Holcomb
Chairman William E. Biedenbach
Commissioner Lillian Conrad
Commissioner James Davenport
Vacant Comms. Position – Awaiting City Appointment

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

(1) Agenda Changes, Additions and Deletions:

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

Mr. Bunch indicated he had no changes.

(2) Public Participation:

Chairman Biedenbach then stated Mrs. Pitcher it’s yours to take over, I guess, for public
participation.

Mrs. Pitcher stated okay, sure, we will now proceed with the public participation segment of
our meeting. In just a moment I will ask anyone on the line who wishes to speak to identify
themselves. Please do not proceed with your comments or questions at that time. Only name
and address should be stated. If you are on the line and wish to speak, you may now unmute
your line by pressing star six on your phone or clicking the microphone icon on your
computer. Please state your name and address only. After pausing, she then stated hearing
none we’ll move on, and added there were no written requests to read into the record. This
concludes the public participation section of the meeting; Chairman?

Chairman Biedenbach thanked Mrs. Pitcher.
Approval of Consent Items:

Chairman Biedenbach then stated all right, we have the consent agenda, which is a. through d., Commissioners, do any of you want to pull anything for further discussion.

Commissioner Davenport stated he would like to pull consent item c. please, for discussion.

Chairman Biedenbach stated pull item c., anybody else? There being none, he stated okay I need a motion to approve a., b. and d.

Commissioner Holcomb stated so moved; specifically a motion to approve the remaining consent items, items a., b., and d., item 3-a. Minutes of Regular U.C. Meeting held 4-27-20, approve as submitted; item 3-b. ITB No. 22-20 – Electric Transformers (Polemount and Padmount), approve and award ITB No. 22-20 to the evaluated low bidders, Gresco in a total amount of $384,875.33 and Wesco in a total amount of $25,430.02 (sales tax included), for a combined total amount of $410,305.35; and item 3-d. Ratification of Emergency Repair – South Riverside Drive Force Main Replacement Project, ratification of this project in the total amount of $147,543.00, including sole sourcing for Force Enterprises, Inc. in the amount of $142,543.00, capital labor in the amount of $2,500.00 and archaeological monitoring to Environmental Services, Inc. in the amount of $2,500.00; and authorization for the General Manager/CEO or his designee to execute any additional documents associated with this project.

Commissioner Davenport seconded this motion.

Chairman Biedenbach confirmed the first and second and then requested a roll call vote be taken on the motion.

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

Project Approval – 5th Street Bridge Replacement and Including Amendment No. 1 to Contract 1 Between DRMP, Inc. and UCNSB:

Chairman Biedenbach then stated Commissioner Davenport you’re up.

Commissioner Davenport stated in regards to the cost of the 5th Street Bridge, the cost of that is right now at $900,000, that’s our portion correct, $895,000?

Ms. Couillard stated yes, that is correct sir.

Commissioner Davenport stated my question is with the City participating and the U.C., what’s the total cost of this bridge? Is the U.C. paying for the whole bridge?

Ms. Couillard stated we are only paying for our utilities, the bridge work and any other work related to the bridge is by the City. I don’t have the total number, but I can get that for you.

Commissioner Davenport stated no, that’s all right, I’ll just keep up on that with the City. Thank you, that answers my question.
(3-c) Project Approval – 5th Street Bridge Replacement and Including Amendment No. 1 to Contract 1 Between DRMP, Inc. and UCNSB (cont.):

Ms. Couillard stated you’re welcome.

Commissioner Davenport then stated I’d like to move we approve item c.; specifically a motion to approve the 5th Street Bridge Replacement Project in its entirety in the amount of $879,000.00, and the approval of the supplemental agreement / Amendment No. 1 for electric design work with DRMP, Inc. in the amount of $14,790.00 and authorize the General Manager/CEO or his designee to execute all documents associated with this matter.

Commissioner Holcomb seconded the motion.

Chairman Biedenbach confirmed there was no further discussion and requested a vote to be taken on the motion.

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

(4) General Manager’s Report:

Chairman Biedenbach stated Mr. Bunch, it’s your team.

Mr. Bunch stated okay, thank you Chairman. Just a quick run through of the agenda items for the General Manager’s Report. Mr. Chavez is going to cover the financial status and he’s going to come back and talk a little bit about balanced scorecard and enterprise metrics. And then we’re going to talk about our billing collection processes as we move back to normal from the COVID virus pandemic. And I’m going to do a quick briefing of a presentation we did last week to the Public Service Commission at a hurricane preparedness workshop. So with that, we’ll turn it over to Mr. Chavez.

(4-a) Financial Status – April 2020:

And

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

Mr. Chavez then started to review his prepared slides/presentation which had been distributed electronically to the Commissioners just prior to the meeting. He stated so for April year to date we had a positive change in net income in net assets of $1.2 million. What we did, and what we’re doing right now, Ms. Couillard and I are actually under review on a number of these things, but revenues are still strong but what we’re seeing is lower contributed capital. So we’re working on it and investigating what’s driving the drop. We know that COVID, of course, has thrown a slow down on some of these items but we’re still seeing substantial residential growth in building and development. So what we’re looking into is what’s dropped, what are the other drivers between this year and the prior year in contributed capital. That’s why our April month end financials it’s negative, $200,000, and that’s really a much lower contributed capital that we’re seeing.

Mr. Bunch stated so remind us of where in the income statement that would show up. Does that actually show up as income as the developers contribute capital?
(4-a) Financial Status – April 2020 (cont.):

Mr. Chavez stated it shows up, it’s an in and an out, so it’s at the top and it’s at the bottom. So realistically it’s net, it just affects the net assets.

Mr. Bunch stated so that’s when it would appear at the top, that’s why it appears that income’s down year over year.

Mr. Chavez stated yes.

Mr. Bunch stated okay, thank you.

Mr. Chavez then stated April 2020 capital expenditures, $1.1 million, so slightly lower than the month before, and on the year to date basis $6 million. Then going to the next slide and stated annual projects $0.3 million and $800,000 of major projects (April 2020). And then went to the next slide and stated again, year to date $6 million, with $2.5 million in annual projects and $3.5 million in major. Annual projects are normal – overhead and underground, switch gear, pole replacements, and water meters; so typical new services, things that we do every year. On the major projects side, $3.5 million, Western Utilities Complex, Smyrna Substation Expansion, and Wastewater Sanitary Sewer Systems 10 and 11 work. Then going to the next slide, commented I know this is always eye chart type of stuff but overall what we’re seeing is revenues, when you look at year over year on the electric side at the top, right corner there, we appear to be down $900,000 from the prior year but what’s driving that is we’re seeing growth, we’re seeing revenue from the growth and the volume usage, customers and volume. What we have that’s offsetting our revenues on the electric side is the over recovery of fuel which is about $1.8 million higher than the year before. So that’s why electric revenue appears down but that is because once again, the fuel, the system operations group is able to purchase power at much lower rates than what we’re charging our customers. But as part of the work that Raftelis is doing, we’re looking to see what the right fuel and purchased power adjustment is and what kind of reserve we want to have. If you look towards the middle, purchased power, you’ll see $41.77 per megawatt hour, that’s $7.16 better than a year ago, at this same time last year. Cooling and heating degree days, so it’s been much hotter, so our cooling degree days are much higher than they were than the prior year. And of course since it’s been hotter, there have been less heating degree days. If you go to the very bottom there, we’re still seeing growth in the volumes, electric sales are up 3.5%, commercial still 2.8%, water 2.0%, and then wastewater 4.3%. At the very bottom right corner, from a percentage basis, our year over year customer growth is still pretty good – 2.7% on electric, 3.0% on water, 3.5% wastewater, and of course 20.1% on reclaimed, but that’s just because it’s a small customer base.

(4-a) Financial Status – Presentation: Series 2020 Bond Update:

Mr. Chavez went to the next slide and stated I wanted to give you a bond update. So we did, right before the long holiday weekend, we’ve been seeing, for probably the past couple of weeks, that the market even with the COVID pandemic occurring, things were starting to settle down. Market sentiment in the bond market was starting to kind of have no significant fluctuations up or down every day. Every day of the past couple of weeks has been incremental improvement. So for example on April 28th we were at 3.36% for an all in total interest cost, and on May 19th we were at 3.01%; so steady improvement over the last month.
When we actually pulled the trigger, when we looked at Wednesday, in essence there’s a 24-hour window, you meet with the underwriter to kind of determine does it look like a good entry point. So we met on Wednesday, we had initial discussions on Thursday and where we decided it seemed like a pretty good entry point. And we entered and we ended at a pretty good, at the lowest rate we had seen since we had been monitoring the markets since November of last year. Then went to the next slide and stated so we ended up on Thursday afternoon at a 2.76% all in total interest cost, which is excellent. We had on our $70.0 million par value bonds, we had $644.0 million of demand, way oversubscribed, over nine times oversubscribed. So we were really able to get to lock in a very, very attractive rate. The interest savings on refunding the legacy debt was just about $1 million. So when we had been discussing back in 2019, and even the early part of this year, we had estimated $700,000, so we even got more savings than our best case scenario from previous. He stated I’ll pause there for a second if there’s any questions.

Chairman Biedenbach stated Commissioners if you have any questions identify yourself and do it now.

Commissioner Davenport stated Mr. Bunch what a great job, oh my gosh, the citizens in New Smyrna Beach should be very proud of this refinancing and all of this future construction costs; super job done, thank you.

Mr. Bunch said thank you Commissioner and just to add to what Mr. Chavez said, locking in that low rate for the additional $65 million will save millions if you compare that cost of money to the historical or even recent numbers that he was citing. So sometimes you’re lucky, sometimes you’re good, whatever the sequence of events it all just seemed to line up last week. So, thank you for those comments Commissioner.

Mr. Chavez stated so I’ll pause there, and when we discuss the budget, stating to Mr. Bunch now or later?

Mr. Bunch stated so if there are no other questions or comments, Mr. Chavez will move forward to the next portion of his presentation.

(4-a) Financial Status – Presentation: FY2021 Budget:

Mr. Chavez stated all right, went to the next slide and stated Mrs. Simmons emailed a pdf version that we could actually email out to all of you. That was in essence was our complete budget book. We do have bound copies but from the perspective of the COVID we got you the whole book electronically, but we do have hard copies here in the office. We had a pretty successful overall budget run. This was the second year of the revamped CIP or capital improvement plan and on the O&M side the second year of our new philosophy or at least concerted effort as a team to really focus on providing reliable utility services with a very cost-conscious manner. So on this slide just really the CIP reflecting the master plans, a lot of the projected growth that we have, expected usage, and since we’re still kind of in the transitional period in the optimization studies, we have placeholders in this 10 year cycle. But as we have a modernization discussion and a modernization road plan, road map discussion later this year, and of course we can always come back to the Commission with approval on
these future projects; there will be more to come. The studies in that will be incorporated, estimates refined, and every year we’ll fine tune those budget estimates that much more.

Mr. Bunch stated it’s safe to say you’re just putting in the place holder now, rather than fill in other things in the capital budget and then have to rejumble them again later this year or next Mr. Chavez, is that why we’re putting it there now?

Mr. Chavez stated yes, we’re putting it there now and then this way when we incorporate some of these studies we’ll have better estimates on detailed projects, where those placeholders get replaced with refined projects that are good for the short term and the long term.

Mr. Bunch stated so nothing will move forward until we have the modernization workshop, you see the plan, some of the details, get a chance to have discussion, and then as Mr. Chavez just said, any subsequent project that would go forward, you would approve those individually. So right now you’re really just giving him the nod to a placeholder that you’ll discuss later in the year in the workshop.

Mr. Chavez stated and to that end a big portion on the capital side, Ms. Couillard, this was her first year going through the budget and she really did a collaborative and a really, a great effort by her team to get through working on the budgets. They’re getting a feel for the project management aspect of it, and really looking at owning and digging into it on how we budget and then forecast during the year. So a really great effort by Ms. Couillard and the team.

Mr. Chavez went to the next slide and stated as part of the 2021 budget we looked at the O&M and Capital, we’ve had several challenge sessions to go through the budgets. On the O&M side we went through division by division and looking at a couple of key points, 2019 actuals, 2020 forecast, and then the 2020 budget. This way it gives us a good comparable since fundamentally our operations haven’t changed but we’re always looking to see how we can do, how we can plan in our budget to reflect we can do it better, faster, more effective. And it’s a good sense check on having those other points of reference in that.

Mr. Chavez went to the next slide and stated as part of the overall budget process we do have baked in on this year’s, on the 2021 budget, we had baked in the debt service costs for this debt issuance. It’s actually probably a little higher because we weren’t final at the time so I believe the debt that we have in the 2021 budget is at an over 3% rate, but we ended up being under 3% but that’s, it’s explainable, we have the backup there. We wanted to make sure that we reflected the known information at this time. At the bottom here, kind of key, I think what really contributed to our success is there was a lot of demand in the market, in the bond market for high quality low risk type of bonds. Which our rating with Fitch, which was reiterated by Fitch a few weeks ago, reflected that, so hence the oversubscription and the $644 million in demand really helped out a lot.

Mr. Chavez went to the next slide and stated this just talks about the interest savings of the bonds. And then went to the next slide and stated so this is where we’re looking at the capital and this is the grid and water modernization and optimization studies where we can make
strategic process and infrastructure improvements investments. So this is where we had indicated that we’re going to have a whole modernization or discussion later this year but we have initial place holders. So we’re at $180.8 million for the full 10 year versus $150 million from the 2020 to 2029. But some of the key drivers, $19 million for modernization projects primarily for 2021-2026, but those will be revisited. So first we’ll have the discussion further with the Commission in the fall and then we will revisit those annually as we start to layer in those projects as part of the over long term strategic plan. And the modernization is really required in the sense of for our long term stability and infrastructure of the system, we really need to have these things in that model for the reliability resiliency of the system.

Commissioner Holcomb stated when we put this together, obviously we have different assets, different facilities that we are going to improve, expand, or just completely new. When we put the grid together will a visual aid support where, you know the current assets, where the improvements are going to be, with obviously a date or a time, best guess would be what I’m looking at is when we see us starting that project or improving that asset or bringing a new plan online and what the investment is. So just the visual aid follows the investment and so people can understand what we’re actually building. Because I think for the general public to try to understand what we’re saying and what we’re investing in I think some visual aids with a map and a timeline and then a budget. But the dollars we budget to that area and what the benefit is would be easier to move through the community in explaining what this is when you start talking about numbers at this scale.

Mr. Chavez stated no, that’s a great point, great question. As part of this, so when we go into the fall, that’ll be laid out pretty well. And to your point, we have to have it where it’s understandable. So at a higher level, you know what’s the overall plan and over the next few years. So from your standpoint of visuals around what kind of systems do we have now, and where do we want to go, what are some of those benefits. So for example, we currently don’t have a work order management system or work management system. In anything that we do those are some basic building blocks that we need to put in but we’ll lay that out so this way then it’s understandable for the community. And it’s going to get us to standard of what others, our peers have currently.

Mr. Bunch stated just to add to that it will be a visual, so there might be a 30 deck slide deck Commissioner also but there will be a one page graphical summary that shows these are the dollars, these are the years, and start to completion when you do, when do you begin this, and when do you finish the effort. So we envision that to be boiled down to a roadmap and that’s why we keep calling it a modernization roadmap so that we can all look at a single page or two and understand it.

Mr. Chavez stated and for example, some of the work that Quanta did is it laid out some of those building blocks and that’s where we’ll take that to present as part of the overall plan to review with you. So this way we have your buy in and we are then able to leverage that within the community, and of course, tailor the message to the extent needed.

Mr. Bunch stated and there’s some additional things next year, and even later in this year we’ll get a little more line of sight on. Like the Williamson Boulevard extension, assuming that gets approved between the County, the State, and the City, the stakeholders in that
process and then we begin the plan with a little more details of some of the development of our buildings out there. We’ll have a better line of sight of that later in the year and next year as well. But we do anticipate that Williamson Boulevard construction costs will be borne by others. We may have some costs putting in our roads for our buildings, we expect that overall extension to be borne by people in the community outside of us, the developer, builder, whoever is working with the County and State to get that built.

Commissioner Holcomb stated and when do we have this, again we vaguely speak of time end of the year, next year, when do we see all of this actually put it in place so we can start moving forward with it? Actually we’re kind of piecemealing right now, when does the whole plan, you know, again I can say maybe in the next five years, maybe not necessarily the ten, but when we get a little more clarity in the next five years of what plans, where we’re at and where the investments going. Because I mean, basically, that the $65, $70 million that we’re talking about probably should get us through the next five years I believe.

Mr. Bunch stated correct, and when you talk about plans, are you being, is that specific to what we plan for the Western Complex or all?

Commissioner Holcomb stated all of it, right. We just borrowed $65 million I think they’ll want to know what we’re spending it on. I think we could draw them a nice map and give them a little bit. Great job, and again like I said the money was like you said we’re lucky, you’re good, I’ll take both. But again when we walk through the community and people ask us what are we doing, when you start to try to explain this to people their eyes roll back in their head and I need to refer them to something, that is a visual aid, you know refer them back to the web page and it’s here. Let’s go look at it here, this is where I live in; you know what I mean.

Mr. Bunch stated yes, that will be part of our deliverables for the roadmap and what we’ll be reviewing with you when we do that maybe August, hopefully August, maybe September. But that’s part of the consultant’s deliverable, giving us a simple to understand, boiled down modernization plan.

Commissioner Holcomb stated August or September, that’s what I was looking for.

Mr. Chavez then went to the next slide and stated so formulate the plan, we have these placeholders in but we’ll be back in the fall to really go over the overall plan and how we do year by year. And of course as we start to formulate, we’ll refine subsequent years budgets. Then went to the next slide and stated revenue, we’re just going through the high level O&M and Capital, we’ll go a little further. Revenue projections are based on the historical data, forecast to future consumption. Every year we have a ten year look back and then we do have some escalation factors built in looking forward. We’re still seeing the growth, we’re still seeing the year over year customer growth and the volumes. You know a lot of the questions that Fitch had indicated was are you going to see or do we see significant increases in revenue because of customers. And we’re not, our revenue thankfully is really driven by the weather and then the increased revenue on top is the continued customer growth that we’re seeing year over year. So the revenues in 2021 was 1.8% higher than 2020 budget. And on the last point very critical, you know we had these challenge sessions on both O&M and Capital to make
(4-a) Financial Status – Presentation: FY2021 Budget (cont.):

sure that we were focused on realistic, cost effective operating expenses budget to run this system to make sure that we’re running it for the long term. One of the key things, and it’s probably further in the deck, we had 186 head count in the 2020 budget. We actually budgeted 180 in the 2021 budget, because it’s based on what we’re really simply needing to operate. The one area that’s critical from a headcount perspective that we were refocusing and redesigning was on the T&D side and getting linemen, qualified linemen. We’d rather have good than not at all, that’s really going to be our focus coming up.

Mr. Chavez went to the next slide and stated operating expenses including purchased power were in 2021 2.1% lower than the 2020 budget. It’s really because we focused on what we need to operate in a cost conscious, cost effective manner. And it still does reflect the wage escalation, employee pension and benefits. Typically when we looked at how does a current year, the subsequent year’s budget related to the current year we had seen, Mrs. Merchant and I looked over the last few years, it’s anywhere from a 3% to 6% increase over the prior year’s budget. We actually had a decrease this year, so it’s a conservative budget, we believe it’s enough to get the job done. And we tried to really look at each division and how they operate and what their underlying assumptions were, to make sure that we had the right amount of dollars. But, of course, as we give updates during the year we’ll continue to update the Commission.

Mr. Bunch stated I want to give the team some credit on this item specifically. You know a lot of organizations will budget with the assumptions you have last year’s budget plus some inflation adder. And Mr. Chavez and his team took a different approach where you do bottoms up. What are the things that we really are going to do, how many people do I have actually doing it, and basing the budget on real needs and using that and going through the challenge sessions that he mentioned, they were able to carve out 2.7%, almost 3% over year over year budget. And we’re in turn with the fact that the economy around us has had a lot of challenges and while our revenue and our business tends to be more stable, we were really cognizant of trying to manage those inflationary pressures. So the team sharpened their pencils and under Mr. Chavez’ leadership developing the budget, they did a really good job; so I just wanted to make note of that.

Mr. Chavez stated thank you and then went to the next slide. He stated so here is where I talked a little bit about earlier, 180 head count versus 186 in the prior year’s budget. But in some of the areas that we want to make note of, so currently in the Transmission and Distribution, Mr. Mine’s group, we’ve included a supplemental contracted work force or labor because we are having a hard time with that, we’ve got a couple of retirements. So we wanted to make sure we had enough dollars in there for Mr. Mines to get a crew working on O&M and Capital, to supplement his current workforce. On the purchased power we’re at $20.6 million, that’s 3.6% lower than the 2020 budget and that’s driven really by Mr. Beyrle’s management of those purchased power contracts, and we do still see continued favorability in the power markets. So as you see natural gas still at an all time low, you’re seeing west Texas in the media, very low. Mind you we’re using purchased power that is drive, primarily by natural gas, but when those prices in the related energy markets are depressed or low, we still see the benefit of that. On the Water Treatment Plant, lower operations expense, they’re done cleaning up the lagoons so we were able to lower their sludge disposal because they don’t expect to need clean up until 2024.
Mrs. Pitcher stated if I can just make a comment on the reduced level of head count, to answer any questions that might be lingering out there right now, is the reduction from 186 to 180 is not any current employees. It doesn’t affect current employees, they are vacancies that we currently have and have had for more than six or seven months that we determined we can move forward without. So I just wanted to make sure that was clarified.

Mr. Chavez stated yes, that’s a really good thing. So it’s really the head count and operating with what we have. They’re vacant positions that we either couldn’t fill or decided that we did not need at this time. I appreciate that. Then went to the next slide and stated on the I.T. side Mrs. Keehn’s team has done a really nice job of centralizing all the software, licensing, all the I.T. related items. Managing it with her department to really optimize the cost of running our shop from an I.T. perspective. And we realized $400,000 in the annual ongoing O&M savings just by centralizing these contracts, looking at how we can restructure them to make sure that we’re getting the best for what we’re spending. And it’s a centralized model looking at what do we have out there and instead of each individual area negotiating their own software licenses in that we’re able to have Mrs. Keehn’s team manage it from a consolidation perspective. Similarly on the Central Services side, the centralization of Fleet and Facilities, really to maximize those cost savings and asset optimization through standardization, so we were able to reduce. In essence our vehicle fleet was somewhat older in certain instances, so we really, through standardization and eliminating unneeded vehicles and then the locked in pricing because we looked at what we’re purchasing over the next five years. So that really sets us up to get the best pricing when you’re doing, for lack of a better word, bulk ordering. And then from that, from really standardization on the vehicles, a half a million in capital savings on those five year vehicle purchases.

Mr. Chavez went to the next slide and stated so on the capital side, so we had it and we established this last year, annual projects and major projects. So the annual projects are stuff that we do day in and day out every year, it’s pretty standard stuff. The major projects they could be in one year or multi year but they’re typically you know a defined start and finish, it’s not the same thing year over year. So I think what the team did a really nice job at this year was putting in numbers for the annual projects, that pretty well fell in line with what we’re currently spending because these are the same things we do every year over year. So due to the benefit of looking at what we spent previously, we were really honing in and challenging to make sure we had the right amounts, either increases or decreases. On the major projects side, Ms. Couillard’s team, and then asked are you on?

Ms. Couillard stated I’m here.

Mr. Chavez stated so if you want to go through just some of the higher level major projects on this slide; if you could, that would be good.

Ms. Couillard stated sure, so the Engineering team has the majority of the capital projects and we went through each category, reviewed the status of the current projects, currently underway, and re-cash flowed them as necessary. We also added new projects that arose out of the CIP and a few items that were, I have a couple of more slides that are reliability related, kind of just do it before we get our roadmap done. So we added in a placeholder for the roadmap, major water projects, we’ve got a couple of bridges, we’ve got the South Beach
Pump Station, lift station rehabs, 10th Street road realignment, and then some other radio systems, and Western Utility Complex around the Joint Fleet Facility.

Ms. Couillard went to the next slide and stated so around electric system reliability we have about $1.5 million, a little bit more if you go out five years, already in the budget. We are prioritizing the information we got from the Burns & McDonnell report. There are things that we can just do, because it’s stuff that we need to do anyway and that was identified in the report. So it sort of just said yes, you are doing some of these already. One is we’re going to sectionalize feeders, reduce outage impacts to customers, so if there is an outage, it’s a smaller outage. We’re going to put in pole-mounted reclosers and TripSavers on feeder taps as well. Some reconductoring that we already had planned. And then we’re doing a complete review of all of our feeders from a load transformer and feeder balancing perspective. So that we can quickly switch to get people back up and fix the problem and then switch back.

Ms. Couillard then went to the next slide and stated in addition we have two other categories that we are working on, under the electric system reliability category. And these are going to take a little bit more time and will be included in the roadmap in August / September time frame. Which is automation, integrating SCADA so that we can do remote controlling of items, also system hardening plans and selective undergrounding projects. We’re looking at where does it make sense, where are we seeing you know major outages, how can we manage on that. And then we just received our bids for a new vegetation management plan, so we’re transitioning from hot spot targeting to a three year mains and lateral cycle; this is best practices. We looked at other Florida utilities and worked with FMPA to do a quick survey. So we’re going to a “per mile” contract bid and having them available for support post any weather related items.

Mr. Bunch stated I appreciate that explanation. Could I ask you to explain something for us? So on the prior slide it talked about developing a prioritized approach to reliability improvements. Can you talk about how you’re going to do that and when we’ll have more information for the Commission and the community in the terms of what areas you’re going to be targeting over that three year period.

Ms. Couillard stated yes, so we’re starting out with our historical outage data. We’re looking at our historical outage data to date to see where we have outage hot spots and what is causing that, information. Then we are layering that over the top of the Burns & McDonnell report where they recommended improvements based on the WindMil modeling. They took our model and brought it current and then did some modeling for us. And then we’re working with FMPA and Burns & McDonnell to do a complete coordination study from relays down to fuses so that things trip when they’re supposed to trip and they don’t when they’re not supposed to. We’re going to put together a standard for the whole company so that when the folks are out in the middle of the night, they don’t have to try to figure out what to put in where, they can just replace it based on a standard. So we’re pulling all that together and we’re going to include that as part of the roadmap.

Mr. Bunch stated okay, and in your area of reliability and improvement plans when do you think you’ll be able to say these are the areas, these are the years that we’ll be working in those areas.
Ms. Couillard stated I’m hoping in the next month.

Mr. Bunch stated that’s a good answer.

Commissioner Holcomb requested to speak through the Chairman.

Chairman Biedenbach stated go ahead.

Commissioner Holcomb stated Ms. Couillard that’s one of the things that’s probably the most common question I get when I’m out in the town or it depends, like my power went out on Quay Assisi this Sunday or whatever night.

Chairman Biedenbach started Thursday night.

Commissioner Holcomb stated okay, whatever night that was, so, you know typically after that happens is when I see people saying why is this happening or why is this happening so much. I think for me the mapping that we talked about is prioritizing and you guys have talked about this for about a year now, which is good. I mean I’m glad to hear you say a month to show the public how we’re going to attack this, a. financially and then b. through different layers of how we’re going to prioritize who goes first, because everybody wants to go first. You know what I’m saying because I think everybody always assumes the worst. And I’ve been doing this for, I don’t know, four or five years. There really is, there actually is a plan that goes with it, and there is cynicism. But everybody can believe that this will be data driven and they can kind of look to their map to see when their area, based on their outages, should have a realistic idea of attacking their area. I think this gives, and again I’m just communicating, it gives us the Commissioners better tools. You know I’ve sat in a lot of meetings with a lot of you folks and trying to go explain what you’re explaining to us to the public isn’t quite that easy. But I can refer them to a map, okay where do you live, okay let me walk you, I can pull this up on my phone and say here’s the map. This is where you’re going to go, it looks like 2021 is when we have you on the map based on these two standards that we used to prioritize. I mean it just makes it easier for the Commissioners to communicate to the public, it’s going to help us because I’d say that’s the number one question I probably get. And it’s more prominent in the summer, so I’m just getting ready for this summer, is all I’m asking, so that month, I feel really good about your month projection.

Ms Couillard stated yes, we’re planning to lay all that out, show how we came to our determinations and then also a target metric, here’s where we’re trying to get to, so that we can track it internally as well.

Commissioner Holcomb stated I guess the credibility to the decision-making process, it eliminates the cynics in the crowd that kind of want to say they’ll find somebody who lives there that has some kind of relationship and that will be the reason they get it. So that’s why I think it just makes it easier if it is data driven.

Mr. Bunch stated the last comment I would make in this area is the reason we’ve had consultants’ engagement is so that when we’re spending this money we’re going to get the biggest bang for the buck with known technology in a predictable manner. I can tell you I’ve
seen people in large and small utilities alike not get it right in terms of order, not get the system compatibility right and they ended up spending a lot more than they needed to and got benefits less than desirable ones. So the folks we’ve had working with this, Quanta on modernization, Burns & McDonnell on the reliability project and Stantec on water optimization. These folks are very confident, very credible industry consultants and I’m confident at the end of the day those plans that you’re going to see laid out in just in a short period of time are going to make a lot of sense to you as well.

Commissioner Holcomb stated let me ask you a question, and Ms. Couillard spoke of this and they deal with it, you know building, coming out of dealerships that were built 25 years ago to dealerships that are built with today’s technology, the efficiencies. Some were intended, and like you said it’s that lucky and good part again, and I’ve got to believe the more uniformed we get this and the more organized we get this, then the productivity per employee in the field, it’s got to be, it’s got to go up. That’s another part, it’s another benefit, and obviously the customers’ down time has got to be less. But I’ve got to believe because what I’ve seen from my employees, my employees can go faster and be more accurate because they can get information quicker. So that, am I comparing it accurately?

Mr. Bunch stated there are a lot of things done manually today and because we don’t have automation on some things it takes us longer and more people to do things. So that will be part of the benefits analysis, but the short answer is yes, there will be operational cost savings associated with the investments.

Commissioner Holcomb stated okay, thanks, just curious.

Ms. Couillard indicated she had one more slide and stated so I just wanted to bring you up today on the impacts of COVID-19 on the projects we’re working on and cash flows. We are seeing project schedule delays due to the no travel orders. It’s taking two to three times longer to process contract documents because we mail them to the company, the people are working from home, they have to go get them; that whole deal. We have the same issue with some design deliverables. So, we’re about two to two and a half months behind schedule on a number of things. We are also seeing a drop, a significant drop in invoices coming in. And so I expect that’s also people working remotely and then how they process them and get them to us. So I expect in June, most likely in July, we’re going to get hit with either a lot of invoices or a lot them with large amounts. And then lastly, because of the no travel orders that were in place a number of our bid documents and submittals are delayed as well. So what I’ve been doing with Mr. Chavez is acknowledging that, looking at well maybe what are some things we can pull forward as we wait for those things to come in, and we’re juggling projects around so that we can try to stay. We’re going to be lower than our budget this year just because we’re trying to adjust where we can appropriately.

Ms. Couillard then went to the next slide and stated this slide is the capital summary page that breaks out the annual projects by department and then the major projects. And you’ll see we have our electric reliability line item and the modernization roadmap item in there.

Mr. Chavez stated Ms. Couillard yes, so this summary here just kind of lays out exactly what we’re working on. From the annual side we broke out the vehicles and broke out a number of
(4-a) Financial Status – Presentation: FY2021 Budget (cont.):

items to show at a high level. As you look at, just for example, electric $3.9 million in 2021, $3.7 million in 2022, those annual projects make up the normal bread and butter stuff we do. If you go down below in the majors, this is where you’ll see, depending on the initiative and the efforts going on, you’ll see that each year is different. Electric reliability and the modernization are in 2021 to 2026 and then on the water and wastewater we do have the Western Utility Complex broken out as well. So it really gives us a good feel once we look at all the projects, kind of making sure at the highest level you know does it flow all together, does it make sense, is it something we can execute. Because at the end of the day too we are constricted by how many folks we have, how many things we need go through. So we always try to keep in the reasonable aspect of the budget and really the execution side of it.

Ms. Couillard stated and one more thing, we are also seeing a large amount of County and FDOT projects on the fast track. There’s 10th Street, we have the bridge, there’s the bridge over there on Quay Assisi, there are two interchanges. The Pioneer Trail interchange, which is a new interchange, and then they’re redoing the one on Route 44 (S.R. 44). And there’s relocating on Sugar Mill. So in talking with my folks, this is the most they’ve seen from those agencies in a very long time; so that adds a lot to our projects as well.

Mr. Bunch stated and those aren’t an option, we get noticed and you have to proceed, is that pretty much it Ms. Couillard?

Ms. Couillard stated yes.

Chairman Biedenbach inquired about the City, or the County and the State dropping these projects on us, what does that do to our budget out there and how do we take care of that and not put a hole in our own budget. Or do we have those placeholders in there for our process.

Ms. Couillard stated yes, so for new ones we have to layer them in. We either have to make adjustments to other projects or we come to you and say hey, we just got this, we didn’t anticipate it, will you allow us to go over budget and include this. But the ones we do know we budgeted this year and out years based on what we know is going to happen. We try to fit them within our budget but sometimes we can’t. Now this year with the COVID, you know we have a little extra money so we can do design work ahead of time and take it out of the future year budget.

Mr. Chavez stated so in summary, yes, we manage it and Ms. Couillard seems really good about bringing things up and then we discuss them and at least factor them in even if they’re just in initial discussions.

Ms. Couillard added, and we have monthly meetings with the whole team and Finance and we go over every project and the cash flow status, etc. So we’re all up to speed when these things come in from left field, we can address them quickly.

Chairman Biedenbach stated okay, and added those projects that come in from left field or whatever, those tend to scare me because with the state they’re never inexpensive projects, they’re always big deals and that bothers me. But it sounds like you’ve got a fairly good handle on it and I’ll be a little less concerned; thank you.
(4-a) Financial Status – Presentation: FY2021 Budget (cont.):

Ms. Couillard commented we keep our ear to the ground.

Commissioner Holcomb stated Ms. Couillard can I ask a question, and this is just because we are in a situation now that’s just a little different. There’s been this talk of this major infrastructure investment, and God forbid our government can ever actually communicate and get along, but if by chance we did get lucky one day and that happened, are we an area that would be impacted or is that more directed towards older or areas with bridges. I mean do we have, even looked at that because again it’s been out there for a couple of years now, but as circumstances get worse and if they look at stimulus, that’s been something that’s being thrown around and I think both sides agree on it but just can’t agree enough to get it voted on. Do we have any worry there that if a major, major $3, $4, or $5 trillion infrastructure plan came out to get the economy rolling again, is that something that can come into being or is it just too hard to project?

Ms. Couillard stated I think that’s hard to project, we’re keeping our eyes on it, watching where the money’s going, but for right now it’s like it could go anywhere, as you know.

Commissioner Holcomb stated that’s more a of curious question, I don’t have that much confidence in our government to get along in a vote that big; it’s just been talked about a lot.

Ms. Couillard stated and maybe, maybe we can get in and get some of that money for, I don’t know, solar panels or something if it’s available. But at this point we’re just kind of watching and once we see some movement we’ll put together a tactic on what we think it’s going to hit. I think the bigger cities are going to get the money though.

Commissioner Holcomb stated I figured that, I appreciate it, thank you.

Mr. Chavez thanked Ms. Couillard and proceeded to the next slide. So slide 28 here, just a quick recap, some stuff we’ve already gone over, and then proceeded to the next slide. Next steps, really, in the fall, August or September, we’ll come back and go over the modernization road map. We’ll address the higher level pictorials or pictures of where we’re going in this way and then we’ll have a consolidated message. We’ll continue to implement the long term plans, as Ms. Couillard had indicated the reliability and resiliency and really on those just do its and things that would help us minimize the impact of outages. Things we need to do and really for lack of a better word, low hanging fruit or quick hits.

Mr. Chavez then proceeded to the next slide and stated so next steps unless there’s any issues or questions, we’ll submit the budget to the City by this Friday. And then really nothing is done with it until August, September, when they’ll do reads of the budget, of our budget, and then it’s approved at that time by the City. But until then our next step is presenting them a copy, electronic that we post on our website after this gets approved, and we would deliver hard copies to the City as well. He then stated I guess I’ll stop there and asked Mr. Bunch if he wanted to add anything or had questions.

Mr. Bunch stated no, if there are any questions feel free to ask, if not, Chairman we’ll return it back to you for the request that the budget be considered for approval. (Approval of FY2021 UC Budget listed on the agenda under New Business item 7-a.)
Chairman Biedenbach stated Commissioners, do anyone of the three have anything you want to ask that you haven’t done? All right, hearing nothing I need a motion to approve the budget and a second.

Commissioner Conrad stated I make a motion to approve the budget that’s been presented to us; specifically a motion approving the FY2021 Budget and Capital Improvement Plan (FY2021-2030) and U.C. Resolution No. 2020-08. (Upon approval the proposed Budget Estimate will be forwarded to the City and final, formal adoption of the FY2021 U.C. Budget is pending City Commission approval by Ordinance.)

Commissioner Davenport stated I second that.

Chairman Biedenbach confirmed with the Commissioners there was no further discussion and then requested for a roll call vote to be taken on the motion.

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

(4-c) COVID-19 Customer Billing – Collection Processes:

Mr. Bunch stated okay, I think that’s it for the budget. Mr. Chavez what else do you have in your items?

Mr. Chavez stated I have the customer connections.

Mr. Bunch stated okay, do you want to talk us through that at a real high level?

Mr. Chavez stated so at the end of last week I believe, we sent out two emails. One on the successful sale of the Series 2020 bonds and we also sent to you our, kind of approach on customer connections and such, and how we’re treating that. Right now we have suspended the disconnections and late fees. So in our proposal is what we outlined in that email, and we’re keeping it at a high level and if you have separate questions you can send me an email and we can discuss further. But in essence we’re going to use June and July as a transition month. Our commitment is to really work with all of our customers, and of course, particularly the ones that may be struggling to pay or cover their bills at this time. So we worked out a detailed, fairly detailed plan on how we would address each cycle within our system, we have 27 billing cycles and we have 27 collection cycles related to that. We would use June and July to work with our customers prior to the disconnection process. So that’s really our plan and it’s outlined in that email but I think that is the best, it’s a win, win for us and the customer. We need to work with them because if we delay, just keep putting it off and not work with them, it just makes the problem, if there is one, that much bigger. So realistically it’s better for the customer and us, work with them, residential and commercial, to
(4-c) COVID-19 Customer Billing – Collection Processes (cont.):

really put a plan together and get a payment plan if necessary to keep their services but also work down any outstanding balance over a period of time.

Mr. Bunch stated so if they’re making efforts to work with you Mr. Chavez, I’m struggling, trying to pay my bills, and need a little bit, how long do I have as a residential customer?

Mr. Chavez stated so for a residential customer what we’re targeting is anywhere from three to six months, approximately. But really, it’s dependent on the customer and kind of the situation, so each one will be, each situation will be unique. Same similarly on the commercial side. The good thing is we have a very tight relationship with our customers, there’s always a lot of communications with a lot of them already. So we’re just going to use June to reach out and really try to work on addressing it, and then July again to do that, and really work with our customers.

Mr. Bunch stated so, just a note, I believe that FPL basically gave their customers a month, some others two. And if you add ours up from March until June and July you’ve got a three to five month timeline where we’re working with customers through this. And I’ve worked through this in other locales before and the challenge is if you let the arrearages grow too far for any particular customers who are having a difficult time paying, you’re really not helping them in the end of the day because what happens is at some point on the timeline they get disconnected. They have a large amount that’s in arrears that turns into a write off. So if you can work with them individually and help them work it down, it actually works out better for the customers and the utility. And that’s the approach that Mr. Chavez and Mrs. Wood are going to try to employ. And again I feel like we’re leveraging some really good practices here and hopeful that the Customer Service team will be able to work with our customers on this.

Mr. Chavez stated yes, and I’d like to commend Mrs. Wood and her team, they’re really, really helpful. You know during these times we didn’t miss a beat with Customer Service and we got some really positive feedback. We plan to continue to leverage that and really focus on doing that. It’s a win win with us and the customer because if we get them on a reasonable play, that prevents a write off and keeps their service on. So that’s our approach and that’s how we plan to execute. And of course we’ll give you updates throughout the process. He then asked if there were any questions, just to open it up.

Chairman Biedenbach indicated he did, what have we seen so far in the number of people, percentage of our customers that are struggling to pay their bills at this point. Have we seen any major? And what do you expect in the way of percentages of people that are going to have these and we’re going to have deal with and your team is going to have to work with.

Mr. Chavez stated so, what we’ve been doing, right when this started and we kind of used February as our benchmark, because the February month end was kind of pre-COVID. We are in the 94% to 96% as it relates to our accounts receivable being current. We are typically only just over 2% or around there for being over the 120, so we’ve ticked up a little bit, 3%, 4%. But still nothing really to, no significant degradation. On the flip side we ran, a few weeks ago, we ran what the disconnects would have been and it was about 600, just under 600 customers. We ran it as of today if we had to do disconnects, we were at just over 900 and in
(4-c) COVID-19 Customer Billing – Collection Processes (cont.):

total it added up to a couple hundred to three hundred thousand. But in reality when we looked at even those customers, most of it, there wasn’t a big old balance. So we’re working these customer lists now to prevent a bigger issue. Now, in comparison, our peers are having a much, their numbers are much worse, they’re having much more customers and their balances are much bigger. So we’re relatively doing fairly well in comparison, but we’re using this time to really proactively work with them to come up with a solution.

Mr. Bunch stated and what you’ll also find in the first month is there are a number of people who know we’re not disconnecting right now and they haven’t paid their bill but probably have the ability, so in the first couple of weeks you’ll see them pay the bills. And then within that end of that first month, before we start doing the disconnects, we’ll get a sense of how many are really out there that are struggling and they’re the ones that will work with Mr. Chavez and his team to develop the payment plans. And even then, as long as they’re working with us and stick to the payment plan they will be able to avoid disconnect. And so that’s the recommended going in position and hopefully it pans out like we think.

Mr. Chavez stated and we’re monitoring the items, the late notices, daily my folks are putting into spreadsheets on you know what’s the cash collections, what’s our accounts receivables look like. So we’ve been tracking it all along and it’s like I had indicated earlier for the times, not bad. But we plan to keep those good numbers by proactively working with our folks.

Mr. Bunch stated and it sounds like just the numbers you quoted, we’re probably in the 3% range that are disconnect eligible.

Mr. Chavez stated yes, eligible.

Mr. Bunch stated not that you would necessarily cut because a number of them are going to offer to pay, is that correct?

Mr. Chavez stated yes, that’s correct.

Chairman Biedenbach stated sounds like you guys are doing a very good job of getting ahead of this thing. Basically you’re telling me that the rest of our competitors are in much worse shape than we are. Thank you for figuring that out Mr. Chavez, you and your team. You need to get an attaboy and attagirl.

Mr. Chavez stated thanks, I appreciate it.

Commissioner Holcomb stated I’d like to comment on that too. What I like is the flexibility because it’s not, everybody’s circumstances aren’t the same, and when you try to put it all in one box, and we’re still in phase one bringing people back. So I like the fact that you guys have the, and I use just common sense, if it makes sense but it sounds like you’ve got the flexibility built in with your payment plans to see the customer through the tough times. Because if I get a call back to work and my neighbor didn’t, then our circumstances are different and they would be handled different. So I just, you know, by the time the State goes full phase three, you know when we get there in the next amount of time, it sounds like you
(4-c) COVID-19 Customer Billing – Collection Processes (cont.):

guys have the ability to be flexible with the customers through that time. So I appreciate that because sometimes we try to put it all in one box and it doesn’t work that easy.

Mr. Chavez stated no, that’s exactly it because residential is different than commercial, you’re exactly right and Mrs. Wood’s team has done a really nice job in working with the folks.

(4-d) FL PSC Hurricane Preparation Workshop – UCNSB Presentation:

Mr. Bunch stated okay, if there’s no other questions on that, item d. really quick. There’s a slide deck that the U.C. team helped me put together. FMEA reached out to us about a month ago and asked us to represent the municipal utilities in Florida, to do a presentation to the Public Service Commission on our plans and response to Hurricane Dorian. Now that presentation is in the agenda package and we focused on plans using our playbook, working across municipalities, leveraging the incident command structure, which is a consistent format on titles for who’s running the show, who’s doing this and that. And then also the communications that our team put in place during the hurricane and our response using Facebook, giving updates, areas that were out, pictures, those things, and when things were back in service. And we got a lot of, actually a lot of positive feedback through the Facebook and our website during that event. And I highlighted those items with the Public Service Commission. And we got good feedback on that presentation, that was last week on the 19th. And so the other presenters included Florida Power & Light, Duke, Tampa Electric, an electric cooperative whose name eludes me at the moment. It was a good group of presenters and I felt like at the end of the day our team made a good show of our response to Dorian. So it would likely not be us next year. Typically they choose the utility that has been involved in a hurricane and the previous year it was Tallahassee. But we were actually the closest as the hurricane moved by the Atlantic coast of Florida last year. So again, that was the reason why FMEA reached out to us, as well as the kudos that the team got on the response last year. Again the presentation’s in the slide deck if you want to have a look at it at another time.

Mr. Bunch stated and the last thing I’ll mention is two months ago we announced that our Director of Water Resources, Dave Hoover, was retiring. We selected a successor for him, Tom West, from the City of Venice, so he’s got about six or eight years experience in Florida. He headed up a good portion of the Chicago water department at some point along the way, and early in his career worked in some Connecticut utilities as well as a regulatory role in Connecticut. So he brings about 25 years in the industry to us. And Mr. Hoover has offered generously to stay on for another couple of our weeks to work through the transition with Mr. West. So we’ll be celebrating Mr. Hoover’s retirement, hopefully we’ll do an in person meeting in June and they will be able to be here for that. So that’s all I have for the General Manager’s Report Chairman. That would take us to section five, General Counsel.

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

(5-a) Restated, Amended Communications Site Lease Agreement – SpectraSite Communications LLC dba American Tower Corporation:

Mr. Cloud stated yes, the only item that I need you to approve is an agreement for a tower that was constructed by Nextel pursuant to a 2001 agreement. Their successor in interest,
SpectraSite Communications, LLC, which is known as American Tower, approached us about extending the agreement. We’ve had, I would say, about six, eight months of negotiations with them and I think that we’ve come up to an agreement that clarifies a number of uncertain provisions in the 2001 agreement. The 2001 agreement sort of talks out of both sides of its mouth. At one point, claims to be an easement, which we really should not grant for something like this. At another point, claims to be a lease. We've restated the agreement so it's clear it's nothing but a lease. We're going to receive $55,000, I know that's not a lot of money when you consider the figures you've dealt with mostly in this meeting but it's better than a poke in the eye with a sharp stick. Mr. Chavez and I, primarily Mr. Chavez, have been able to negotiate better financial provisions for increasing the annual rent that’s paid. This tower was constructed some time ago by Nextel and it’s used for communications. We also retained the right to put up to five antennae on the pole. Because this agreement will last for more than four years, we’ll need the City’s consent and we’ve made arrangements to submit this to the City. So we recommend that this agreement be approved subject to take effect upon the approval by the City Commission. He then offered to answer any questions.

Chairman Biedenbach asked where the tower was located, is that the one out at the Water Treatment Plant (WRF)?

Mr. Cloud stated no, I think this is near 10th Street is my understanding, and then corrected to Field Street.

Chairman Biedenbach stated all right, I don’t have anything else. Any other Commissioners? There being none, he stated I need a motion to approve this.

Commissioner Holcomb stated he would make the motion to approve the recommended action, the lease agreement, specifically a motion to approve the Restated and Amended Communications Site Lease Agreement with SpectraSite Communications, LLC (dba American Tower Corporation), and authorize the General Manager/CEO or his designee to execute and enter into this agreement; and due to the length of the agreement, for the agreement to take effect upon approval by the City Commission.

Commissioner Conrad stated she would second this motion.

Chairman Biedenbach asked Mr. Cloud if he needed anything read or is it just okay to have a vote on it.

Mr. Cloud stated you can just have a vote on it.

Chairman Biedenbach stated Mrs. Simmons, would you please call the roll?

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

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

Mr. Cloud stated the only other thing that I would like to add to my report is that we are
(5) Commission Counsel’s Report – General Counsel (cont.):

continuing to make progress on the long-term joint use agreement with AT&T and we are continuing to make progress on the Williamson Boulevard right-of-way agreement. And of course, there will be a bond closing in the very near future. I have submitted a status report on our current litigation that you can read. You can ask me questions now or anytime you desire. Then stated that’s all I have.

Chairman Biedenbach stated thank you sir.

(6) Old Business:

There were no Old Business items for consideration.

(7) New Business:

(7-a) Consideration of U.C.’s FY2021 Budget and Capital Improvement Plan FY2021-2030 – Proposed Resolution No. 2020-08:

Chairman Biedenbach commented let’s turn the page here, consideration of the budget and capital improvement plan, didn’t we just do that? Then asked for confirmation of this from Mr. Bunch, and also asked was there anything else.

Mr. Bunch stated nothing on my behalf.

(8) Possible Other Business – Time for Commissioners:

Chairman Biedenbach then stated okay, for the Commissioners. Commissioner Conrad do you have anything you want to say before we close?

Commissioner Conrad stated no, I do not. Although I would point out that the email I saw regarding getting back to normal, whatever normal is going to be, was very well written. I appreciate the information.

Chairman Biedenbach stated all right, Commissioner Holcomb?

Commissioner Holcomb stated nope, I’m good.

Chairman Biedenbach stated Commissioner Davenport?

Commissioner Davenport stated I just want to tell Mr. Bunch and Mr. Chavez what a great job you all are doing. I tell you it just seems like a few years ago I joined this, got appointed, and I know you and I kind of looked at each other and didn’t know what they were talking about. It sure is good to see a financial report and things and accomplishments; it’s so strong. Personally with me, and I was scared to death when I first got on here. But I’ve got to reinforce what I just said, thank you for everything and I feel very confident where we’re going; thank you.
Chairman Biedenbach then stated Mr. Bunch, your whole team is to be congratulated and as I've said, an attagirl and an attaboy. I think this is probably the first time, and Mr. Chavez if you went through this the same way last year I'm going to say I'm sorry that I didn't remember it. But this is the first time I can say that I feel confident of where you guys are heading this place and it's nice to be a part of it going along with that. I don't have anything else, we're done for today; thank you all very much.

There being no further business to come before the Commission, the Regular U.C. Meeting closed at 4:24 p.m.

APPROVED: 

Attest:

CHAIRMAN

These minutes were formally approved by the Utilities Commission at their June 22, 2020 meeting.