

AGENDA ITEM 3-a

MINUTES OF REGULAR MEETING OF THE UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA, HELD THURSDAY, DECEMBER 17, 2020, AT 3:00 P.M., AT 200 CANAL STREET, NEW SMYRNA BEACH, FLORIDA

(NOTE – THIS REGULAR U.C. MEETING WAS HELD ON-SITE (WITH MASKS AND SOCIAL DISTANCING) AND WITH LIMITED ON-SITE PUBLIC PARTICIPATION – VIA APPOINTMENTS)

Chairman Holcomb called the Regular Meeting of the Utilities Commission to order and led in the Pledge of Allegiance. Commissioner Conrad provided the invocation.

Chairman Holcomb then stated all right, I'd like to call Mr. Beyrle up to speak about what he was supposed to speak about last meeting.

Safety Message – Holiday/Lighting Safety:

Mr. Beyrle came to the podium and stated thank you Mr. Chairman. First some housekeeping, as many of you are only here once a month. In case of an evacuation there's stairs located down the hallway and another set through those glass doors and to the right. There's an AED located on the wall over there (down the hallway), as well as on the first floor behind the guard desk. And there's a fire extinguisher down that hallway and restrooms are located on either side of the room.

Mr. Beyrle continued and stated this safety message is about holiday lighting safety. As the electric service provider in the community we want to ensure that all of our customers make safe choices as they begin their holiday decorating, or things to think about if you've already done that. Every year 150 home fires start with holiday lights and other decorative lighting and another 260 home fires begin with Christmas trees. Before you start stringing up lights some things to consider, make sure you're using lights that have been safety tested and are appropriate for the way they're being used. Ensure the lights being placed outside are labeled for outdoor use. Check all your lights, especially older ones for broken or cracked sockets, frayed or bare wires or loose connections and toss any damaged sets. Inspect your extension cords as well.

Mr. Beyrle continued by stating practice good extension cord safety, never run cords under rugs or coil them tightly around themselves which could cause them to overheat. Plus install outdoor lighting and decorations into a GFCI grounded outlets. If you don't have those, portable units can be purchased where you buy electric supplies. Always look up before decorating outdoors, never raise ladders or extend objects into or near power lines. Holiday lights using LED's use 1/10th the energy of traditional mini lights and are cooler to the touch reducing the risk of fire. Always turn off lights when you're not home or at night. Use extension cords that are rated to carry the electrical loads connected to them. And to reduce the risk of fire don't overload circuits with lighting.

Chairman Holcomb stated thank you to Mr. Beyrle.

Roll Call:

Chairman Holcomb then requested Mrs. Simmons to call the roll. All U.C. Commissioners were in attendance as follows:

Chairman Jack Holcomb
Commissioner James Smith
Commissioner Lillian Conrad
Commissioner James Davenport
Commissioner Richard Hawes

Others in attendance were as follows: J. Bunch, General Manager/CEO; E. Chavez, Director, Finance/CFO; J. Couillard, Director, Engineering; B. Pitcher, Director, Central Services; T. Beyrle, Director, System Ops.; B. Keehn, Director, Information Technology; T. West, Director, Water Resources; M. Schings, Interim Director of Electric Ops.; J. Michel, Infrastructure Engineer; Laquavius Green; I.T. Intern; D. Simmons, Exec. Services Mgr./Recording Secretary; General Counsel Thomas Cloud Esquire – Gray|Robinson Attorneys at Law; and Martin Pham, Nick Powell, David Shahinian, and Amber Coleman, representatives from GEOSAM CAPITAL US LLC, members of the public (on-site via appointment).

(1) Agenda Changes, Additions and Deletions:

Chairman Holcomb stated Mr. Bunch any agenda changes, additions or deletions?

Mr. Bunch stated no changes, additions or deletions Mr. Chairman.

(2) Public Participation:

Chairman Holcomb stated okay, at this time I'd like to open up the floor for any public participation. Anybody from the public would like to speak on behalf of any issue or concern they might have, please come forward state your name and address.

Chairman Holcomb asked Mrs. Simmons if we were virtual today?

Mrs. Simmons stated there was only on-site attendees (no one on the phone).

Chairman Holcomb stated only here, okay, seeing none I'll close that section.

(3) Approval of Consent Items:

Chairman Holcomb then stated consent items, would like to open those up for any comments, concerns, questions.

Commissioner Davenport stated I'll make a motion to approve them; specifically a motion to approve item 3-a. Minutes of Regular U.C. Meeting Held 11-23-20, approve as submitted; item 3-b. Project Approval – WRF Reclaimed Water Storage Pond Expansion, approve the full project and overall budget for this project in the amount of \$2,150,376.00 and authorize the GM-CEO or his designee to execute all documents associated with this project (award of associated construction contract forthcoming for ratification by the Commission after bid

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

award completed in 2021); item 3-c. Task Authorization 5 – Change Order No. 2 – Fred Wilson & Assoc. for Smyrna Substation Expansion Project, approve C.O. No. 2 for task authorization 5 for FW&A for Smyrna Sub. Exp. Project in the amount of \$101,469.00 and authorize the GM-CEO or his designee to execute the documents associated with this matter; item 3-d. Task Authorization No. 2 – Stantec Consulting Services – Updating Water, Wastewater and Reclaimed Water Hydraulic Models, approve task authorization no. 2 for Stantec Consulting Services, Inc. in the total amount of \$293,300.00 for task nos. 1, 2, and 3, of the proposal and authorize the GM-CEO or his designee to execute all documents associated with this matter; item 3-e. Developer’s Infrastructure, Capacity and Inspection Agreement – Ocean Gate PUD, Phase 2 (Ocean Gate Commerce Center, LLC), and authorize the GM-CEO or his designee to execute this document when contingencies are met; and item 3-f. Ratification – Adoption Agreements for UCNSB Retirement Plans, ratify the Adoption Agreements (attached to this agenda item) for the U.C.’s 401a and 457b retirement plans, executed by the GM-CEO on behalf of the Utilities Commission to enable the transfer of these retirement assets to the new recordkeeper, Empower Retirement, LLC, on December 11, 2020.

Commissioner Conrad seconded this motion which then passed unanimously on a roll call vote.

(4) General Manager’s Report:

Chairman Holcomb then stated General Manager’s Report, Mr. Bunch.

Mr. Bunch stated I’d like to ask Efren Chavez to come to the podium to talk about the financial results and the balanced scorecard please.

(4-a) Financial Status – November 2020:

Mr. Chavez came to the podium and proceeded with his presentation entitled November 2020 Business and Performance Results. So, as sent out previously, your financial results for November, so far so good for the year to date. Slight change in net assets, about \$0.5 million, higher revenue, increased usage, slightly higher operating expenses and lower capital contributions. And of course the capital contributions are a result of developments that are finished and then turned over to the U.C., those assets. On the capital fiscal year to date, spent \$1.2 million for October / November, some of the major projects, generators. And the RTU/SCADA is a big project that is wrapping up and was successfully done with no issues. And that’s the one led by Mr. Beyrle’s and Mrs. Keehn’s teams; good job there. On the annuals, as we still continue to see year over year customer growth, meter installation, overhead and underground extensions continue, which is good.

Mr. Chavez went to the next slide and stated on the operating stats, revenue slightly up, a little lower in water. If you go to the middle of the page, purchased power, it’s almost \$2.00 lower than this time last year, so really good job - \$38.58 per MWh. Cooling degree days higher, a little less in the heating degree days but that doesn’t reflect, as we get into December, we definitely have more heating degree days. As you see there in the usage toward the bottom, electric sales up over last year, commercial up as well over last year, and then reclaimed slightly lower than last year but that’s a reflection of the rain. And over to the right the year

(4-a) Financial Status – November 2020 (cont.):

over year customer growth, as we saw at the end of last fiscal year and continuing on, electric, water, wastewater and reclaimed year over year customer growth, still similar; no surprises, a very good story.

Mr. Chavez went to the next slide and stated from an operating income / loss, solid performance, consistent with what we saw ending the last fiscal year going into this one. The operating expenses are flat, increased depreciation and amortization which is no issue, and the net purchased power still favorable. Went to the next slide and stated from the net assets standpoint similar to what we saw previously. The capital contributions are lower than they were this time last year but that's a function of those developments completing, but as those start to finish off, we will obviously, that will start to turn around, that's strictly a function of the construction timing and completion.

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

Mr. Chavez stated on the next slide, KPI's for the month of November. For safety and risk, no OSHA's, zero third party claims, one minor PMVA but no injuries and no vehicle damage to either vehicle. Electric reliability, October, November were tough months. The group is working on and just had a meeting about Venetian Bay and some improvements that we're working on, short and long term; that will be a continued focus. CAIDI or restoration time is green so that's good, when we do have outages, we're quick to respond, quick to get everyone back up and running. Water resources metrics are green. Customer service over 99% of the meters are read on the first attempt and customer service calls answered within 60 seconds; is still very high as well. He stated I'll pause there as well, any questions?

Chairman Holcomb stated the electric reliability part, I'm just curious, seems like an area that all the infrastructure should be new.

Mr. Chavez stated and that's just it, what we've currently done, the projects that we finished are in but there's a number of longer term improvements that we need to do that definitely..., Ms. Couillard, Mr. Beyrle, Mr. Schings, are working on as far as the longer term events. Because right now, a lot of the lines have a substantial amount of customers on that we're looking to split up those lines and in essence...

Chairman Holcomb interjected basically make the areas smaller that are impacted, we had that conversation, so that's, I got it, I understand.

Mr. Bunch added, specifically the Venetian Bay area required the recent completion of the Smyrna Substation Project Upgrades to be in place before putting in some of the longer term solutions in place. So the meeting that Mr. Chavez made reference to yesterday was actually speeding that up and looking at an interim versus a long term that will bring some more immediate impacts and improvements while the longer term gets built. So that three-year reliability improvement plan includes long term improvement for that area. The problem with that area now and historically was that if you lose feeder 12, which is now 31, you would impact over 4,000 customers and we're looking at a way to break that up now, immediately, while the longer term gets worked on. So we should be able to get an update on that plan sometime in the next month or two.

(4-b) Balanced Scorecard and Enterprise Metrics – November 2020 (cont.):

Chairman Holcomb asked and are we in communication with the HOA's in the area so that they're aware of how to communicate that through their communications? Because I'm sure that not everybody knows how to call the U.C. and ask what the heck is going on.

Mr. Chavez stated recently, so a few months ago there was an issue that came up, Mrs. Pitcher and her team put together some communications, sent it out to V-Bay and then there were a couple of specific examples on customers that we're interacting with. But in essence yes, there's those communications going on.

Mr. Bunch stated to that point I think what we'll need to do when the solutions are formalized is to work through Mrs. Pitcher and Mrs. Fisher to actually go out there and talk about the plans, present them and give the Engineering and the Communications folks a chance to interact with larger numbers of customers.

Chairman Holcomb stated okay, thanks. He then asked the other Commissioners if they had questions.

Commissioner Davenport stated have we gone to the Customer Service yet?

Chairman Holcomb stated no, we haven't done that yet.

Mr. Chavez stated as it relates on slide six, yes, Customer Service is performing very well and on the next slide.

Commissioner Davenport stated but I have an observation here, 97% being answered within 60 seconds.

Mr. Chavez stated yes, the goal is 85%, but yes.

Commissioner Davenport stated that's great, and how many calls do we get a day into the U.C.? Do we have any idea here or approximately, I'm curious.

Mr. Chavez stated we can get it, we'll get it.

Commissioner Davenport stated I'd like to know that because I've been through the service, and the numbers, and I'm going good, great.

Mr. Chavez stated yes, and it's definitely improved ever since COVID started, so we've definitely gotten more phone calls, more transition to electronic means of payment. The drive thru was a godsend because if they really need to meet with one of our reps. the drive thru is the safest way to do it. So even though the front door is closed the Customer Service team has really adapted and leveraged all of our resources. Mrs. Keehn's team has gotten us the technologies so when folks need to work remotely. Yes, all of those measures have contributed to very high call answering and such, but we will get you the numbers after this.

Mr. Chavez then stated just to finish up on the last slide, Materials Management, P.O. issuance days are green, Human Resources under budget by ten but we're actively recruiting

(4-b) Balanced Scorecard and Enterprise Metrics – November 2020 (cont.):

for six positions. On the I.T. side there continues to be very active testing, skills training, a lot of really good challenges to all of our teams to make sure that folks don't answer phones incorrectly, respond to emails that they shouldn't. A lot of tests in there so if they answer an email that they shouldn't have, they'll get a notification that this was a test and there's some additional training. So really good measures by Mrs. Keehn and her team to kind of keep that strong, keep people aware. Customer Service side, at the bottom, so currently as we indicated previously, we're back to pre-COVID levels. In addition there are no customers on payment plans, so those have been resolved and customers are paid up and consistent with our prior to COVID, over 97% of our account receivables balances are current, so within 30 days. So those numbers and stats are back to pre-COVID levels and consistent with our historical trend. That is clearly not the case with our peers, in the sense that it does help socio-economically we have a much better situation than most of Florida, that has helped us and then I believe our conservative or pleasantly persistent tactics to make sure that we work with our customers make a win-win for us and the customer. He then offered to answer any other questions.

Requested Discussion:

Consent Item 3-f. Ratification – Adoption Agreements for UCNSB Retirement Plans:

Commissioner Hawes stated Chairman Holcomb, before we move forward, I do have an issue on the consent agenda and I'm sorry I didn't make mention of it earlier, so if I could go back.

Chairman Holcomb stated we will, which item?

Commissioner Hawes stated its item f.; we can wait.

Chairman Holcomb commented well, we've already approved it, what do you want to talk about?

Commissioner Hawes stated I want to go through what it is.

Chairman Holcomb stated that's fine, that's simple, how about we do that with open discussion at the end. When we're through at the end you can speak to Mr. Bunch with your time and we'll talk about it.

Commissioner Hawes stated okay.

Chairman Holcomb stated does that make sense, sound good?

Commissioner Hawes stated sure.

Chairman Holcomb added unless you want to do it now, is there a reason?

Commissioner Hawes stated well, my reason was and I apologize for not jumping on this right off the bat.

Chairman Holcomb stated that's okay.

Requested Discussion:

Consent Item 3-f. Ratification – Adoption Agreements for UCNSB Retirement Plans (cont.):

Commissioner Hawes continued, and you may be able to help me, but I think this plan probably roughly costs, I'm making up the numbers because I don't know, about 10% of total salary expense.

Chairman Holcomb interjected ratification.

Mr. Bunch stated so, let's visit it now, and let's take Commissioner Hawes' question, will probably only take a minute or two.

Chairman Holcomb stated yes.

Mr. Bunch stated Britney Pitcher, Director of Central Services will answer.

Mrs. Pitcher stated so our 401a plan is 8% of income, is what we contribute to our employees.

Commissioner Hawes stated well, but yes, and then 16%.

Mrs. Pitcher stated for the CEO, is the only one that one is, and the 457 is a match of their voluntary contributions and then we match 50% of what the employee contributes.

Commissioner Hawes stated okay, so if somebody put in the max of \$20,000, it might be \$10,000?

Mrs. Pitcher stated correct.

Commissioner Hawes stated okay, so I guess what I'm asking is how much is that to the U.C. in a given year?

Mrs. Pitcher stated oh, goodness.

Commissioner Hawes then stated, and please understand I'm not opposed to the program, what I'm opposed to was this is probably the largest expense item we will approve today, would by my guess. And so as I look through it, I had a very difficult time understanding exactly what it was and why. And I'm all for doing something like this, but I didn't know why it was 16% or 8%, or why 50%; where it stood versus...

Mrs. Pitcher stated well, those actually aren't changes in our benefits, it's just a record keeper change.

Commissioner Hawes stated okay, but it still could have been said here where it was, I didn't know that it didn't change. I didn't know that it was part of the other. And I don't mean to be jumping on you with it, but it was basically just sort of a contract. If we go back to other consent items, you'll see a recommendation and some reasoning why. There really didn't, that didn't exist with this.

*Requested Discussion:*Consent Item 3-f. Ratification – Adoption Agreements for UCNSB Retirement Plans (cont.):

Mrs. Pitcher stated okay, we've been talking about this for a couple of times now, changing to a record keeper. This was the formalization of the new record keeper that we selected, there's no changes in benefits. I think the last time that I stood up here and talked about it, stated that there were no changes in the benefits we were offering.

Commissioner Hawes stated then it's my fault then I guess.

Mrs. Pitcher stated that's okay, yes, but...

Chairman Holcomb interjected it gets a little confusing and you know it's funny because when we were looking at the consent agenda, one of the things where we have the new line items, purchase orders, and the job numbers and then how you track so you can actually follow the money in the job.

Commissioner Hawes stated yes.

Chairman Holcomb continued and then we go from year to year; that's all new. So as new Commissioners come in and out, who was here for what meetings, it's gotten a lot better from where it was. It's just, to your point, like the first thing I look at is the dollars, what am I approving, what's the cost.

Commissioner Hawes stated and I know we've spoken about this with other things but I guess what I was looking for was we're approving it today, I'm kind of looking for that recommendation and the costs, just where we were at, and none of that was in there. I did read through the contracts, so I understood what was being said.

Mr. Bunch stated Mrs. Pitcher, to Commissioner Hawes question or statement, the approval for the dollars, as I understand it actually occurs as part of the budget submittal and approval in June, is that correct, or May.

Mrs. Pitcher stated right, this is not an approval of dollars, it's an approval of the agreement.

Mr. Bunch stated so can you describe the change that occurred in recent months and why this is a ratification approval versus saying we want to spend this much money.

Commissioner Hawes stated and you know you don't really need to go through that, I understand that. All I'm asking for is just a little bit more clarity. When I got it, I'm looking at it and thinking there's not much said here and there's a bunch of paper and it's a little different than the other items. So maybe that's me being new, I don't know what it is, but it came off a little bit kind of out of left field.

Mr. Bunch stated so I'll address that question, we had the plans in place, they've been in place since the 90's, since the structure of retirement was put in place. The change this year and the ratification approval being requested here is to formally notify you the change in the record keepers, from one company to the other. In actual fact there's about \$150,000 a year fee savings that will be realized by the employees that are participating in the plan.

Requested Discussion:

Consent Item 3-f. Ratification – Adoption Agreements for UCNSB Retirement Plans (cont.):

Commissioner Hawes stated yes.

Mr. Bunch stated but the actual what are the dollars being approved, occurred with the budget submittal that was approved in May. But we can, if you'd like Commissioner Hawes, send you the dollars associated with all this.

Commissioner Hawes stated no, that's okay, I'm just trying to make things clear.

Chairman Holcomb stated it's a great question.

Mr. Bunch stated it is a good question.

Chairman Holcomb continued, let me tell you why, again because it's five years of this trying to figure it out without a whole lot of training so you learn by mistakes. So like with me with the change orders, it's like okay where did we start. If you go looked at a few of the consent items today, and I forget which one it is, it refers to the change orders, \$193,000 I think it was, then the \$293,000. You can kind of follow it and if you want to go the budget you can find the job and you can track every dollar if I had a question. So I think what you're asking if there's no financial impact, then put no financial impact.

Commissioner Hawes stated yes, something that says this is why we're doing this.

Chairman Holcomb stated right, non-monetary, I get it because for me the first thing I look for is the dollars at the bottom and I start working my way back through on the purchase orders and the work orders to figure out where the money's at. So if it's a non-monetary expense then you just want to know I'm approving a non-monetary expense or something that could affect the budget.

Commissioner Hawes stated and I also want to make sure that we've justified against other organizations our size, what it means to the City. Because we're looking at doing a variety of things from you know rate changes and all those things and I just want to make sure that we're fitting this stuff in and we can justify what we've done. And we probably can but it didn't come across to me in that item.

Mrs. Pitcher stated yes, and I actually gave a presentation on this a couple of meetings ago.

Commissioner Davenport stated yes, it was a good presentation.

Chairman Holcomb stated but I understand what you're saying, we all leave here and go do our work, right. And then we come back here and then we've kind of got to recall back to your presentation 90 days ago or six months ago, and it's a little crazy times right now. So it's just referring back to that presentation, refer to the presentation, acts, and that's when we're going for the approval.

Mrs. Pitcher stated I think I did in the agenda item but that's okay.

*Requested Discussion:*Consent Item 3-f. Ratification – Adoption Agreements for UCNSB Retirement Plans (cont.):

Chairman Holcomb stated I get it, I get it, but that's one of those things where it's very clear for you guys because you live in this world; for us that sit up here it's not as clear. So we have to have, like I said, these built in cheat sheets to take us back through the timeline. You're working out of it every day. I leave here and I go out there and I work on my own things and then I've got to come back here and recall. So it's just a mapping backwards for us to follow what you've done to the end, that's it. But I understand what you're saying because I've stood here many times and thought how did we get here and where did we start. And we've gotten better on the financial side, it's just when it's non-monetary it's just another step, another step, and then all of a sudden we're to the finish line and we just don't remember how we got here. So I get it 100%.

Commissioner Hawes stated yes, thank you.

Mrs. Pitcher stated and just additionally for educational sake is any changes in benefits would have to be negotiated with the Union, we wouldn't just be able to come up here and do that.

Chairman Holcomb stated but I know that sitting here five years, the first two years I'm like, it was vague, I could recall a little bit more, and by the third year I'm like oh yes, I remember that. So you guys, again not being critically, you just take for granted your knowledge versus ours because you're in it everyday and we just step into it, you know, occasionally.

Commissioner Hawes stated and it is a resonate, it does come with civil and criminal penalties, so I just want to be sure.

Chairman Holcomb stated just so you know, you get both of those, okay, it's designated that.

Commissioner Hawes stated believe me, I understand.

Mrs. Pitcher stated yes, part of this was in what Mr. Bunch had tried to go back to earlier, was kind of the route that we took for this. We hired a retirement advisor earlier in the year to help us through this process.

Commissioner Hawes stated yes, I remember.

Mrs. Pitcher continued, and the agreements that are on the agenda today were reviewed by not only our advisor but our attorney at Gray Robinson who deals with benefits. And so we made sure that we were legally sound.

Chairman Holcomb stated it's just like I said, to Commissioner Hawes, I completely understand what your thought process was there because I've sat here scratching my head sometimes not that anybody said anything wrong, just trying to recall where we were.

Commissioner Hawes stated no, right.

Chairman Holcomb then commented to Mrs. Pitcher, you did good, saved \$150,000, moving forward, thanks.

Requested Discussion:

Consent Item 3-f. Ratification – Adoption Agreements for UCNSB Retirement Plans (cont.):

Mrs. Pitcher then asked if there were any other questions.

Commissioner Hawes stated no.

Chairman Holcomb stated so it's still approved?

Commissioner Hawes stated yes.

Chairman Holcomb stated all right, just checking.

Commissioner Hawes stated I don't really have a problem with the plan, I just want to understand it.

Chairman Holcomb reiterated but I want the questions because again, where we sit and we look out, it's just one of those things where they live in that world and we don't. So I want any of the Commissioners to feel free to ask questions.

Commissioner Hawes stated thank you.

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

Chairman Holcomb stated okay, Commission Counsel Report, Mr. Cloud.

Mr. Cloud stated just an update on three items. First the Williamson Boulevard alignment agreement with the County, it's making headway. We're very close on reaching an agreement on an alignment, because we're optimists right. And there will also be a companion impact credit agreement which is important to us because it will give credit for right of way easements donated such that we will not have to pay impact fees for the construction of our improvements within the property; so that was item one. Item two is I've yet to receive any comments from the City on the draft Interlocal Agreement. Perhaps that's an indication of how far down on the list of things, which is a good thing. And then lastly on the next item that comes up, there is a resolution contained in it and that resolution will amend your procedures to allow you to suspend or reduce a rate without advanced public notice as long as you do it in a public meeting. The context of that amendment will become clear after Mr. Chavez's presentation on the next item and I just wanted to point that out as a resolution that will require action later today. And that's all I have.

Chairman Holcomb stated thank you.

(6) Old Business:

There were no old business items to consider at this time.

(7) New Business:

(7-a) REVISED 12-15-20 – Reconciling and Concluding the Addendum to Developer Agreement and Amending and Revising Capital Connection Fees:

Chairman Holcomb stated with that we'll go to New Business.

Mr. Bunch stated we'll ask Julie Couillard, Director of Engineering, and Efren Chavez, Director of Finance to come to the podium and they will partner on this presentation.

Ms. Couillard then addressed the Commission by stating good afternoon. We are here today to talk about the addendum and infrastructure policy, our plans to suspend that program and true it up and move forward with capital connection fees. I'm just going to run through the history of the program and Mr. Chavez will step in and talk about the true up and the go forward plan. She proceeded to slide two of the presentation and stated so the U.C. adopted, in 2006 and 2007, the addendum and the infrastructure policy that we currently have in place. It was created to install enough infrastructure for anticipated growth in the areas. The purpose of the policy was to recognize the benefits of long-range planning for the build out consistent with anticipated growth. And it also followed along Florida Statutes, Chapter 163, which also supported planning and development strategies. To meet the requirements of the policy, the U.C. put together a restricted Developer Infrastructure Fund where we tracked, by infrastructure fee received, either water, wastewater, reclaimed, electric, and used those funds to fund the work that needed to be done in those areas that were considered infrastructure. So when the policy went in place it was conceived to be a temporary specific time frame and at this point in time we believe that the uncommon economic and market development that were occurring at that time do not exist any more and so we will be recommending that we cease that program. And in order to do that that staff recommends that we reconcile the program and the account, and do a true up, and then provide any refunds that may be needed to landowners, developers, and others.

Mr. Chavez then addressed the Commission and stated so to accomplish that end, he indicated go to slide 4, and what we've got is a few steps. So one, immediate suspension of the infrastructure fee collection. So after this meeting and when you approve Resolution No. 2020-14, that authorizes suspension. Number two, perform the true-up conciliation of those funds collected from program inception to current. And I believe right now we've delayed collecting anything until further along in the process, so this is a natural extension of that where we're just now going to suspend it all together. And of the true up, so we've collected approximately \$7.4 million of these funds by zone, by line of business – electric, water, wastewater, reclamation. And we're going to compare that to the project spend by line of business and zone from inception to present. So that will be the crux of the reconciliation process. With that, what we'll calculate is by line of business, because it will be by electric, water, wastewater, reclamation. We'll calculate the proportional balance due to each of those developers in the instance where there's a balance due, due to the ones that paid into it. So it will be proportionate based on the amount that was paid in.

Mr. Chavez went to the next slide, slide 5, and stated at the same time, step number four as we're going to end the infrastructure program and the reconciliation and conclusion, what we'll do is we'll have an amendment and revision to the U.C.'s capital connection fees. Now these fees will be for water, irrigation, wastewater and reclaimed. Electric is not part of the capital connection fees. And that's to reflect the anticipated system requirements or growth. Just to sort of level set everyone, capital connection fees are one-time fees to pay for costs

(7-a) REVISED 12-15-20 – Reconciling and Concluding the Addendum to Developer Agreement and Amending and Revising Capital Connection Fees (cont.):

for the anticipated expanded facility capacity, but there will be no future reconciliation. So unlike infrastructure on this you will pay your fee and we go on, no reconciliation in the future. Number five or that's the second bullet point on this page, the developer agreement, of course, will be revised and then we'll request formal approval of that by resolution. Related to that we'll have the rate, charges and tariffs updated to reflect the updated capital connection fees, as well as some applications and other ancillary forms will also be updated. Our goal here is to really simplify the process, make it as you know input from all on making sure it's an effective and efficient process from our end and from the developers.

Mr. Chavez then went to slide 6 and stated so to accomplish all of this there's required hearings. So we'll have the preliminary hearing on January 25, 2021 and we'll have the final public hearing in February. So those hearings will cover the reconciliation, conclusion of the addendum and infrastructure fee policy. What we'll present at the January meeting will be the proposed proportionate balances due by line of business, by zone. And then that will have the developers and their respective projects and how much they will get based on the proportionate balance due. The second part that will be covered in both of these hearings will be the revisions to the capital connection fees. So those will be the updated fees and of course as part of this there will no longer be an infrastructure fee and we will be suspending it after today's approval. And then based on the 90 days from the final hearing in February, new capital connection fees will go into effect on Monday, May 24, 2021, which is the first business day after 90 days from the February 22nd meeting. He stated he would pause there for a second for any questions, and asked Mr. Bunch if he had anything to add.

Mr. Bunch stated so if I was interested based on this timeline, when would I be able to discuss with the Commission what might be owed to me as a builder/developer?

Mr. Chavez stated once we present at the January Commission Meeting, after that meeting that we presented the information and the summation of the proportionate balances due, then really anyone, any developer can request additional information. We will be free to share it with everyone because it will then be public disclosure, public knowledge at that January meeting.

Mr. Bunch stated okay, and one additional question, if you're suspending the collection of infrastructure fees, what do you do between now and May?

Mr. Chavez stated until the new capital connection fee amounts go into effect, the existing capital connection fee amounts, that will be what you pay and continue to pay, the current.

Mr. Bunch stated the current capacity fee?

Mr. Chavez stated yes, the current capacity fee rate.

Mr. Bunch stated thank you.

Mr. Chavez then proceeded to slide 7 and stated now, we kind of call this the disbursement phase. So after the February 2021 meeting, then we'll be working with Counsel, Mr. Cloud

(7-a) REVISED 12-15-20 – Reconciling and Concluding the Addendum to Developer Agreement and Amending and Revising Capital Connection Fees (cont.):

and his team, with sufficient legal demonstration of entitlement. So in essence we'll have the proportionate balances due, we'll be working on issuing those refunds and making sure that the respective regulatory and legal paperwork is met because we're not going to just arbitrarily or willy-nilly issue checks, will make sure the paperwork's supportive because this is the reconciliation and conclusion of this program.

Mr. Chavez went to the next slide and stated this last slide is really just the wrap up, but I'll quickly go through it. So we recommend the reconciliation, conclusion of the policy, immediate suspension of the infrastructure fee collection. Will perform the true-up or finalize that between now and January. We will present that at the January meeting and that as we indicated here, calculate the proportionate balance. In January we'll present the summation of all that work. At that same meeting we will have the updated capital connection fees, the revised amounts. We'll hold the preliminary meeting in January, which is where we'll present all this information, and the final hearing will be in February. And then at that final February meeting the 90-day clock will start which the new capital connection fees will get into effect on Monday, May 24th. Up until the 24th of May you will pay the existing capacity fee rate.

Mr. Cloud stated if I could, there are four motions that staff is requesting from you today, as outlined on 7-a. The first motion is a motion to approve Resolution 2020-14, which authorizes suspensions in a hearing, like today. The second motion is to approve the suspension of a collection of the infrastructure fees. The third motion is to authorize the scheduling of preliminary and final hearings regarding the reconciliation and conclusion of the infrastructure fee policy. And the fourth motion would be to authorize the scheduling of preliminary and final hearings regarding revisions to our current capacity fees which will then be known as capital connection fees. Those are the four motions.

Chairman Holcomb stated and before we move on, on the voting side of it I'm going to recuse myself from voting on any of this for maybe future involvement because I obviously have developed in this community and could be impacted, which I have no knowledge of; so that's what your outcome is, because you're still working on it. So I won't be voting on this because obviously I have developed in the last, since 2006, so I shouldn't be participating in the vote. So I'll be recusing myself and Mrs. Simmons, you have the form for me to fill out. I will open it up for discussion if you guys want to talk about it, feel free to discuss and any questions for Ms. Couillard or Mr. Chavez or Mr. Bunch.

After Chairman Holcomb confirmed there was nothing further, Commissioner Davenport stated with that I'll make a motion.

Commissioner Conrad stated are you making a motion for all four of these items that are on the bottom of here (in the recommended action section of agenda item 7-a.)?

Commissioner Davenport stated yes ma'am, I'd like that, to make that motion, but I'd like for the attorney to go motion number one and I'll say that's my motion. So if you'll read it again, then two, and that's my motion, just clarify it, do my job please Mr. Cloud.

(7-a) REVISED 12-15-20 – Reconciling and Concluding the Addendum to Developer Agreement and Amending and Revising Capital Connection Fees (cont.):

Motion One:

Mr. Cloud stated yes sir, the first will be a motion to approve the adoption of Resolution No. 2020-14.

Commissioner Davenport stated that's my motion, number one.

Chairman Holcomb stated I need a second.

Commissioner Conrad stated I'll second.

Chairman Holcomb then stated Mrs. Simmons please call the roll.

Mrs. Simmons stated Chairman Holcomb has recused* himself from voting on these matters (abstaining), and then proceeded with the roll call of the remaining Commissioners on the first motion.

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

Motion Two:

Mr. Cloud stated motion two would be a motion to approve the temporary suspension of the collection of infrastructure fees.

Commissioner Conrad stated I'll make that motion.

Chairman Holcomb stated there you go, needs a second.

Commissioner Hawes seconded motion two as stated above.

Chairman Holcomb requested Mrs. Simmons to call the roll.

Commissioner Conrad's motion then passed unanimously on a roll call vote with Chairman Holcomb abstaining.

Motion Three:

Mr. Cloud stated motion three would be a motion to authorize the scheduling of preliminary and final hearings regarding the reconciliation and conclusion of the addendum and infrastructure fee policy, for January 25 and February 22, 2021.

Commissioner Smith stated so moved.

Commissioner Hawes seconded this motion.

Chairman Holcomb requested Mrs. Simmons to call the roll.

Commissioner Smith's motion then passed unanimously on a roll call vote with Chairman Holcomb abstaining.

(7-a) REVISED 12-15-20 – Reconciling and Concluding the Addendum to Developer Agreement and Amending and Revising Capital Connection Fees (cont.):

Motion Four:

Mr. Cloud stated motion number four would be a motion to authorize the scheduling of preliminary and final hearing regarding revisions to the Commission's capacity fees / capital connection fees for January 25 and February 22, 2021.

Commissioner Hawes stated so moved.

Commissioner Conrad seconded this motion.

Chairman Holcomb requested Mrs. Simmons to call the roll.

Commissioner Hawes' motion then passed unanimously on a roll call vote with Chairman Holcomb abstaining.

(8) Possible Other Business – Time for Commissioners:

Chairman Holcomb stated all right any Commissioner comments? We'll start with Commissioner Hawes.

Commissioner Hawes stated I think I've had plenty of comments.

Chairman Holcomb then stated Commissioner Smith.

Commissioner Smith stated no comments.

Chairman Holcomb stated Commissioner Davenport.

Commissioner Davenport stated yes, I just want to wish everyone a Merry Christmas. It's been a great year and thank ya'll for all you've done, and I wish you the best. It's been great working with this great organization, I've really appreciated it, learned a lot in the last few years sitting up here. Thank you, Happy Holidays to everybody.

Commissioner Davenport then stated I do want to say one more thing though. My electricity went out about two weeks ago, just getting into bed, it's a little warm, the air conditioner. I know my phone's going to be ringing here in a minute, so I called the U.C. and I was totally surprised. I was shocked actually to get such wonderful service. It rang about three times and went into our voice mail, for the codes or the prompts, it said for your outages and I pushed that. Immediately I called Mr. Bunch the next day or reached out to him. Tim answered the phone, I didn't say anything, I'm just a customer. Very polite, very matter of fact and it was on within 30-40 minutes. But what was really cool is that I knew what was going on and how prompt and sharp we were at getting the answer to the customer out there. Never saying who I was but Tim did a great job that night, I don't know if you all know who that was, I think it was Tim (sic Jim). I want to acknowledge that, it was really, really a smooth situation. It was on in 45 minutes and he told me exactly what was going on. Thank you.

Mr. Bunch stated thanks for that feedback.

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

Chairman Holcomb then stated Commissioner Conrad.

Commissioner Conrad stated well, I would echo what Commissioner Davenport said except his personal experience. Thank you all very much, Merry Christmas, Happy New Year.

Chairman Holcomb stated all right, and for me it's as we sit here and we kind of listen to what we're talking about and we're moving forward, and I think of a lot, my last year up here is next year obviously. You know from the time I got here to the time that I sit here now and how I was talked to, to come serve, or asked to talk and come serve. And from the time that I got here to where I'm at now, obviously I've learned, but the one thing I've found and it goes back to when I was on the Economic Development Board is a lot of problems are solved with open lines of communication. And we're not always going to get it right, we're not always going to be perfect, but I think from where we were to where we are with the City. Like you said Mr. Cloud, we said we were going to get you an agreement, we got you an agreement that you requested, it's there. We understand they're busy, there's a lot going on, but we wanted to follow through with what we told them we were going to do. We're trying to make it a more efficient system. We're trying to make it a better system. We're trying to grow it as a system. We've got to finance that system and we've got to be fair in how we distribute the fees and rates to the customers and yet represent them. So there's a lot going on and a lot that kind of had to be unwound and looked at. And as I've sat here for five years now, a lot of new players, a lot of people interchanging. I look at our I.T. Department, from the first meetings I sat through to what was going on you know four or five years ago to where we're at now, there's a lot of good things. And there's a lot of growth on the horizon for this community. You know my goal for this community is to leave it with, my time served here, is in the direction with the best water, best sewer, best wastewater moving forward but also have a U.C. that works with its community and is open.

Chairman Holcomb continued and stated I've been very happy with the communication and willingness of our CEO and our staff to talk to the people in the community, explain things to the people in the community. And they've had to get kind of their feet underneath them as they've come in and make sure that what they're looking at, their work and they understood it before they would speak on it. And I appreciate that time of hey, I don't know yet, I haven't gone to that, I'm going to look at it, but I can't give you the answer because I haven't reviewed it. And I appreciate that honesty with just, you know, there's a lot to this. The Williamson connection, and there's a lot of things that are going to impact this community for the next 30, 40, 50 years. Borrowing the money, you know, when we did, at the time we did, with the rates we did, and restructuring; a lot of good things are happening. And I just plead with you all to learn from one thing is the better we communicate the less we litigate, the better the relationships are. Embrace our community, they're our ratepayers, they're our boss, and I think that relationship is getting a lot better than it was. And that's not speaking derogatory of the past folks that sat up here because I know their intent and will was what they believed in, so it's not dismissing their efforts or work, I want to make that clear. So moving forward we've got a lot to do, we've got a lot of irons in the fire. And be patient with us, we want to make sure we only have to change once or twice, small moves so that we don't overreact and impact people in a way we don't need to. I can assure you sitting here I wouldn't have stayed if I didn't think that was being done and I hope that next year when I'm leaving, and I don't know how much longer I have Mrs. Simmons, I think it's about a year,

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

that the ships pointed in the right direction. But I feel very good with the staff that we have here and like I said Commissioner Hawes, I want you guys to embrace questions, I want you to vet the consent agenda, I want better lines of communication because again, following the dollars three years ago wasn't as easy that it is now. At least I can find out what job it goes to and government doesn't move like my business. and I've learned that, I hate it, and hopefully I can make it move a little faster. And I think Mr. Bunch and I share that common belief. And I know that the staff's job, every layer of B.S. that we take out of their way, they move faster, more efficiently any way. So there's a lot of benefits that are common to the community and common to the employee that benefit us all; bear with us as we work through these. But I wish you all a Merry Christmas, Happy New Year, and hopefully a good 2021, and we're rid of 2020. With that I adjourn the meeting.

There being no further business to come before the Commission, the Regular U.C. Meeting closed at 3:42 p.m.

APPROVED:

ATTEST:



CHAIRMAN



SECRETARY-TREASURER

These minutes were formally approved by the Utilities Commission at their January 25, 2021 meeting.

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

I, Jack Holcomb, hereby disclose that on December 17, 20 20 :

(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 possible future conflict of refund, 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:

Staff is working on refunds on fees that could possibly be awarded to a business I own.

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.

12-17-2020
Date Filed


Signature

NOTICE: UNDER PROVISIONS OF FLORIDA STATUTES §112.317, A FAILURE TO MAKE ANY REQUIRED DISCLOSURE CONSTITUTES GROUNDS FOR AND MAY BE 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: Tuesday, December 29, 2020 9:34 AM
To: UC Commissioners; 'thomas.cloud@gray-robinson.com'
Cc: Joseph Bunch
Subject: FW: Form 8B Voting Conflict Form - Commissioner Holcomb
Attachments: Form8BHolcomb 12-17-20.pdf

PLEASE DO NOT HIT REPLY ALL

In compliance with Section 112.3143, Florida Statutes, the attached Form 8B was received/filed on 12-29-2020 for U.C. Commissioner Holcomb's disclosure and declaration of a voting conflict that occurred during the 12-17-20 Regular U.C. Meeting (New Business Agenda Item 7-a. – Reconciling and Concluding the Addendum to Developer Agreement and Amending and Revising Capital Connection Fees).

This form is being furnished for your information. This form will be publicly entered into the record at the Regular U.C. Meeting on 1-25-21 and will become attached to the December 17, 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

