

[ANNOTATED VERSION]*

*[*NEAR VERBATIM / DETAILED VERSION POSTED ON UCNSB WEBSITE – UCNSB.ORG]*

MINUTES OF A REGULAR MEETING OF THE UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA, INCLUSIVE OF CLOSED EXECUTIVE SESSION, HELD MONDAY, APRIL 25, 2022, AT 2:00 P.M., AT 200 CANAL STREET, NEW SMYRNA BEACH, FLORIDA

(NOTE – CLOSED ATTORNEY-CLIENT SESSION* AND REGULAR U.C. MEETING HELD ON-SITE. *HELD IN 2ND FL. EXECUTIVE CONFERENCE ROOM, REGULAR UC. MEETING HELD IN 3RD FL. DEBERRY ROOM)

I. Executive Session – Closed Attorney Client Session:

Chairman Davenport opened the Regular U.C. Meeting to order and requested roll call to be taken. Also stated going to hold off on pledge and invocation until after the closed session.

A roll call was taken, all U.C. Commissioners were in attendance as follows:

Commissioner James Smith
Commissioner Lillian Conrad
Chairman James Davenport
Commissioner Richard Hawes
Commissioner Lawrence Kelly, Jr.

Others in attendance were as follows: J. Bunch, General Manager/CEO; D. Simmons, Exec. Mgr./ Recording Secretary; M. Spellers, Sr. Help Desk Technician; Laquavius Green; Help Desk Technician; General Counsel Thomas Cloud Esquire and Jack Kirschenbaum, Gray| Robinson Attorneys at Law.

Chairman Davenport then indicated Commissioners, General Counsel and the General Manager-CEO would be excusing themselves to go to the second floor for a closed Client-Attorney Executive Session.

Mr. Cloud reiterated Executive Session, adding we would recess this meeting.

Commissioner Smith then stated so moved.

Chairman Davenport stated we're going to recess the meeting and now we're going to go to the second floor. (This Regular U.C. Meeting recessed at approximately 2:02 pm.)

Recommencement of Regular U.C. Meeting:

After the Executive Session / Closed Attorney-Client Session concluded, the Commissioners came back to the third floor and Chairman Davenport recommenced the Regular U.C. Meeting (recommenced at approximately 3:01 pm). Then had an invocation by Commissioner Conrad and Pledge of Allegiance led by Commissioner Hawes.

Recommencement of Regular U.C. Meeting (cont.):

Chairman Davenport indicated roll call had been taken at the beginning of the meeting, prior to the Closed Executive Session. All Commissioners, as shown above, remained in attendance. Others in attendance at this time were as follows: J. Bunch, General Manager/CEO; E. Chavez, Director, Finance/ CFO; J. Couillard, Director, Engineering; T. Beyrle; Director, System Operations; V. Steele, Director, Electric Operations; B. Keehn, Director, Information Technology; M. Spellers, Sr. Help Desk Technician; Laquavius Green; Help Desk Technician; E. Fisher, Community Relations Coordinator; D. Simmons, Exec. Mgr./ Recording Secretary; General Counsel Thomas Cloud Esquire – Gray| Robinson Attorneys at Law; and John Moss, a member of the public in attendance on site.

Safety Message by Brandy Keehn: Cybersecurity Paramount to Utility Industry – FMPA “Behind the Switch” Video:

Mrs. Keehn provided an introduction and closing remarks for the referenced Florida Municipal Power Agency (FMPA) video. Explained various assessments and cybersecurity grant opportunities the Utilities Commission acquired or are currently participating within. Also mentioned various training exercises and mutual support activities strengthening the U.C.’s cybersecurity and mitigation of associated risks.

Mr. Bunch commended Mrs. Keehn’s business relationships and ongoing efforts which have paid off for the Commission and its customers.

(1) Agenda Changes, Additions and Deletions:

Chairman Davenport then stated all right, number one on the agenda, any changes, additions or deletions.

Mr. Bunch corrected from initially stating an addition, to pulling off a consent item from the agenda - item 3-j. Village Center East Developer’s Agreement. Indicated this agreement wasn’t quite finished so will likely come back next month.

Chairman Davenport stated okay, we’ll delete item 3-j. from consent agenda. Then confirmed there were no further agenda changes, additions or deletions.

(2) Public Participation:

Chairman Davenport confirmed there was no public participation at this time.

(3) Approval of Consent Items:

Chairman Davenport asked if any of the Commissioners wanted to pull anything from consent agenda for discussion.

Commissioner Smith indicated item c.

Commissioner Hawes indicated items f. and h.

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

Chairman Davenport indicated he would pull items d. and k.

Commissioner Kelly indicated he would have pulled item k.

Chairman Davenport stated okay, so we've got c., d., f., h., and k., correct, to pull. Okay, so now we're going to get a motion on remaining consent items, on a., b., e., g., and i.

Commission Action:

Commissioner Conrad stated I make that motion, if that's what you want; specifically a motion to approve item 3-a. Minutes of U.C. Meeting, approve as submitted; item 3-b. Granted and Accepted Third Party Utility Easements, ratify acceptance of two utility easements – granted to UCNSB for a Wendy's restaurant on S.R. 44 from Southport Construction Corp. and for Barracuda Bridge, a FDOT project from Board of Trustees of the Internal Improvement Trust Fund of the State of Florida, attached to item and as submitted to the Commission; item 3-e. Approval – Acceptance, Termination and Release of Easement Rights, approve this document as submitted for 2165 Turnbull Bay Road (parcel ID #734002050081) and 2155 Turnbull Bay Road (parcel ID #734002050082), as attached to the agenda item and as submitted to the Commission; item 3-g. Project Update – Annual Contract for Gravity Sanitary Sewer Rehabilitation, informational agenda item (reallocation of approved, budgeted funds) – no motion/action required; and item 3-i. Award of ITB no. 13-22 – Pole and Padmount Transformers, and Request for Two-Year Purchase Orders, approve the ITB award to various evaluated successful bidders for a two-year period, in an estimated amount of \$1,600,000.00, to support securement of current pricing and lead times for UCNSB transformers and authorize the GM-CEO or his designee to execute all documents associated with this matter. Final order determinations to be brought back to for Commission ratification.

Commissioners Smith and Hawes simultaneously stated second.

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

(3-c) Ratification – Supplemental Funding for Clarifloc Polymer at Wastewater Reclamation Facility – WRF:

(3-d) Approval of Award – RFP No. 05-22 – Agent of Record for Employee Benefits:

(3-f) Ratification of Budget Increase – Turnbull Bay Road Line Reconductoring Project:

(3-h) Award of RFP No. 11-22 – Well Assessment and Rehabilitation Services:

(3-k) Developer's Agreement – The Palms at Venetian Bay, Phase 6:

After each consent item pulled was discussed and inquiries responded to by staff, Chairman Davenport stated now we need a motion to get approval on items c., d., f., h. and k.

Commission Action:

Commissioner Smith stated so moved; specifically a motion to approve item 3-c. Ratification – Supplemental Funding for Clarifloc Polymer at WRF, ratify an additional \$7,000.00 supplemental funding for P.O. No. 17755, to Polydyne, Inc. for a total amount of \$77,000.00,

- (3-c) Ratification – Supplemental Funding for Clarifloc Polymer at Wastewater Reclamation Facility – WRF:
- (3-d) Approval of Award – RFP No. 05-22 – Agent of Record for Employee Benefits:
- (3-f) Ratification of Budget Increase – Turnbull Bay Road Line Reconductoring Project:
- (3-h) Award of RFP No. 11-22 – Well Assessment and Rehabilitation Services:
- (3-k) Developer’s Agreement – The Palms at Venetian Bay, Phase 6: (Cont.):

and GM-CEO authorization or designee’s execution of same; item 3-d. Approval of Award – RFP No. 05-22 – Agent of Record for Employee Benefits, approve and award RFP to Risk Management Associates, Inc. (Brown & Brown) for one year, with the option to renew for three additional one-year periods upon mutual consent; item 3-f. Ratification of Budget Increase – Turnbull Bay Road Line Reconductoring Project, ratify/authorize a \$970,000.00 budget increase for the total overall project to \$1,950,000.00 and approval of Pike Electric, LLC for associated construction work in the amount of \$1,021,838.00. Previous overall project authorization ongoing for the GM-CEO or his designee to execute all documentation for this matter; item 3-h. Award of RFP No. 11-22 – Well Assessment and Rehabilitation Services, approve the award of this RFP and issuance of the Annual Service Agreement to Thompson Well & Pump, Inc. (copy attached to agenda item), and authorize the GM-CEO or designee to execute all documents associated with this matter; and item 3-k. Developer’s Agreement – The Palms at Venetian Bay, Phase 6, approve this developer’s agreement, by Palms Land Holdings, LLC, and authorize the GM-CEO or designee to execute this document when contingencies are met.

Commissioner Kelly stated second.

Chairman Davenport then requested Mrs. Simmons to call the roll.

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

(4) General Manager’s Report:

Mr. Bunch requested Mr. Chavez to come to the podium and provide the financial status and results for March.

(4-a) Financial Status – March 2022:

Mr. Chavez presented the March 2022 Financial Performance. Stated the March 2022 fiscal year to date change in net assets was approximately \$1.5 million, which includes a \$0.5 million mark to market adjustment. This favorable position driven by increased revenues, Water Resources, and capital contributions, offset by lower electric consumption due to milder weather and increased purchased power costs. Purchased power costs at \$64.44 per megawatt hour compared to \$52.18 last year, with increased operating expenses. Capital expenditures were at \$9.8 million, \$5.5 million in major projects and \$4.3 million in minor projects. March 2022 at an operating loss of \$0.5 million compared to last year’s \$2 million loss – an approximate \$1.5 million improvement. This was driven by the same factors for the change in net assets and those offsets, plus continued customer growth. The income before capital contributions, which were mainly cash, at about a \$0.7 million loss versus the \$1.3 million loss the prior year.

(4-a) Financial Status – March 2022 (cont.):

Mr. Chavez included a slide in his presentation regarding the fuel and purchased power cost adjustment clause (FPPCAC) – agenda item 7-a. Explained the energy and fuel prices have a direct impact on the U.C.'s cost of purchase power. Reiterated the U.C.'s purchased power cost currently at \$64.44 per megawatt hour which is almost \$14 higher or 27.5% higher than the projected cost in fiscal year 2022 during the rate study.

Mr. Chavez recommended and requested the Commission approve a modification, an increase, to the fuel and purchased power cost adjustment clause.

Commission Action:

Commissioner Hawes stated he would move that; specifically to approve a modification (increase) to fuel and purchased power cost adjustment clause from the current \$3.98 credit per 1,000 kWh to a \$4.25 charge per 1,000 kWh, effective first billing cycle in May 2022.

Commissioner Conrad stated second.

Chairman Davenport stated Commissioner Conrad seconded; call the roll.

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

(4-b) Quarterly Submission of Balanced Scorecard and Enterprise Metrics – for March 2022:

The March 2022 balanced scorecard and enterprise metrics were submitted as part of the agenda package but were not discussed at this time.

(4-c) Presentation and Project Approval – SilverBlaze Customer Portal Project w/Web API's and Nexus View:

Mr. Chavez then provide a presentation entitled UCNSB Customer Experience Transformation. Explained this item was identified in the Modernization Roadmap – the multi-year plan on how to bring the U.C. into current standards, technology and customer experience. The transformed U.C. customer experience includes a website enhancement and will enable future tools such as a robust customer web portal, customer alerts and service restoration status. Additional tools and functionality will become available after the AMI program is implemented with its associated data.

Mr. Chavez indicated that next steps will include a new U.C. customer-focused website reflecting the refreshed brand – New Smyrna Beach Utilities / NSBU. The new website is expected in July 2022. Explained the U.C. was a Cogsdale shop. Cogsdale is the U.C.'s Customer Information System (CIS) provider which seamlessly integrates into the U.C.'s financial statement and general ledger package, Great Plains (GP). To maintain this integrated CIS system and leverage the existing technology platform, the roadmap recommended the implementation of Cogsdale's SilverBlaze web portal. This optimal solution and customer single sign-on portal will become live after the new website, in July or August 2022. The experience for the customer won't change as new applications are added. The integration of the approved Outage Management Module (OMS) is also planned for July / August 2022.

(4-c) Presentation and Project Approval – SilverBlaze Customer Portal Project w/Web API’s and Nexus View (cont.):

Mr. Bunch pointed out the upgrading of the overall look of our existing website will be completed for nothing with the new template by Muni-Link. And then two years ago when Quanta did the assessment for the roadmap, the dollars, dollar for dollar, are the same. It was estimated \$100,000 then and it’s coming in at \$100,000, adding the actual slide from that deck is a few slides back, it says program 4 website enhancement, and the same people are involved now from Quanta, as is Cogsdale, and they quoted the same price for us; so that worked out well. Things have seemed to be in that 30%, 50% or 100% range here lately. So that’s thanks to the team working with our consultants, (a) to select the right vendor and (b) delivering it at a good price.

Commission Action:

Commissioner Conrad stated I will make a motion that we accept the proposal for going to SilverBlaze that was exhibited in the presentation that Mr. Chavez just presented; specifically a motion to approve an overall project for the SilverBlaze Customer Service Portal and Web API’s and Nexus View software, implementation and training, for a total amount of \$120,650, (reoccurring annual maintenance and support for software - \$50,250), as a sole source purchase to Cogsdale Corporation, and authorize the General Manager/CEO or his designee to execute all documents associated with this project.

Commissioners Kelly and Hawes simultaneously seconded this motion.

Commissioner Conrad then added and its item 4-c.

Chairman Davenport asked if there was any further discussion on this motion.

Commissioner Kelly commented I think it’s great, a great addition.

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

Chairman Davenport stated thank you Mr. Chavez, great job. I think our customers are really going to enjoy this.

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

Mr. Cloud indicated he had nothing to report at this time.

(6) Old Business:

(6-a) Approval – Transmission Line Repairs (Static Wire):

Mr. Steele came to the podium and provided a presentation entitled UPDATE: Transmission Line Material Condition Corrective Measures. This was an update on the repairs and future repairs planned on the static wire as a result of the outages that occurred in November 2021 and March 2022.

(6-a) Approval – Transmission Line Repairs (Static Wire) (cont.):

After discussion and inquiries were responded to, Mr. Steele stated staff's recommending ratification of emergency repairs completed and approval of planned upcoming repairs.

Commission Action:

Commissioner Conrad stated I'll make a motion to use the language in our packet or in the handout, a motion to ratify emergency phase 1 replacement transmission static wire - approximately 4,500 ft. at \$237,384.15 and an approval of Phase 2 – approximately 23,960 ft. at \$372,209.67, with an overall Static Wire Airport Transmission Line Project budget approval of \$750,000 cap, and to authorize the General Manager/CEO or his designee to execute all documents associated with this matter.

Chairman Davenport stated I need a second.

Commissioner Conrad then indicated I do have a question though.

Commissioner Hawes seconded the motion.

After discussion on the differential in Phase 1 and Phase 2 costs, as well as gopher tortoise survey and relocation costs, Chairman Davenport requested a roll call to be taken on the prior motion.

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

(6-b) Follow-Up Discussion – Items from Joint City/UC Workshop Held 2-24-22:

This item was placed on the agenda per Commissioner Smith's request at the conclusion of the last Regular U.C. Meeting. Mr. Bunch provided a slide depicting the City's Joint Workshop topics. The topics previously mentioned by U.C. Commissioners to discuss were shown in red font, for initial discussion purposes.

The City's Washington Streetscape Project was briefly discussed. The City will be providing some ARPA funds toward desired water and sewer improvements within this project area. The City will also be funding the differential in cost for replacing existing electric overhead infrastructure with underground electric facilities.

Septic to Sewer Study and Recommendations (study by Mead & Hunt) and top two priority projects were discussed: Aqua Court, located in the City of New Smyrna Beach and Silver Sands, located in Volusia County. After discussion, it was agreed U.C. staff would watch associated actions between the City and the County regarding their Interlocal Service Boundary Agreement (noted after this meeting, Amended ISBA approved by the County and south beach area remains in the County). U.C. staff will move towards determination of available grant dollars for these top two priority septic conversion areas.

Affordable Housing topic, mentioned by City Commissioner Hartman and related to what the U.C. could do for fees or something that would help reduce the costs for affordable housing.

(6-b) Follow-Up Discussion – Items from Joint City/UC Workshop Held 2-24-22 (cont.):

Mr. Cloud indicated caution regarding capital connection fees. Indicated there was an existing bill setting on the desk of the Governor now to declare open season on local governments for legislation that increases the costs of businesses. If you decrease for some, arguably you would increase for others. Indicated he wouldn't want to do something unless the U.C. did a rate study specifically as to the capital charges. It's just something we need to be really cautious about. Affordable housing is a great thing and I sure do wish that the legislature would start using the money that is supposedly earmarked for affordable housing instead of you know borrowing it, which is a charitable description of what they've done the last few years with hundreds of millions of dollars that's supposedly earmarked for affordable housing. And it's a risky area for a utility to get involved in, any kind of discounted rate.

Commissioner Smith stated he thought that would be part of the response back to the City. Reiterated his request for Mr. Bunch to send a letter back to the City indicating the status of the things discussed. Point being to build good camaraderie and let the City Commission know the U.C. Commission listened to their concerns, was looking at them, and here's the status of where we are. To update the City Commission on these topics and to let them know we take their comments to heart.

Mr. Bunch stated we can do that. (Requested letter provided on May 3, 2022 via email.)

(7) New Business:

(7-a) Approval – Modification (Increase) to Fuel and Purchased Power Cost Adjustment Clause (FPPCAC):

This item was approved at the end of the financial presentation, under item 4-a. Financial Status – March 2022 above:

Prior Commission Action:

Commissioner Hawes stated I would move that; specifically to approve a modification (increase) to the fuel and purchased power cost adjustment clause from the current \$3.98 credit per 1,000 kWh to a \$4.25 charge per 1,000 kWh, effective with the first billing cycle in May 2022.

Commissioner Conrad stated second.

Chairman Davenport stated Commissioner Conrad seconded that; call the roll.

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

(7-b) Evaluation Determination – RFP No. 12-22 – Auditing Services:

Mr. Chavez explained the Commission needed to determine who would be on the selection committee for RFP No. 12-22 which is for a firm to perform the U.C.'s external auditing services. Explained typically internal staff is not on this committee and all Commissioners or a sub-set of Commissioners could be on the committee. Also explained the evaluation process is electronic, committee would review and evaluate the submission electronically. Also indicated there is another option of allowing bidders to come and present to the Commission.

(7-b) Evaluation Determination – RFP No. 12-22 – Auditing Services (cont.):

There was some discussion regarding criteria, statement of work, and due date for response to the RFP.

Commission Action:

Commissioner Conrad stated I would make a motion to appoint an evaluation committee to evaluate the audit contract for the next period of time based on the criteria that is in the RFP and scope of work, and I would recommend that it be three of the five members of the Commission. And specifically, I would like to participate in that committee, but I would also like to nominate Commissioner Hawes, and Commissioner Kelly to be the third member of that committee. I think it has to be an odd number and I don't think it takes five; so that's my motion.

Commissioner Smith stated I second that motion.

Chairman Davenport stated okay, discussion.

Mr. Cloud stated I would just point out its going to be a Sunshine meeting.

Commissioner Conrad stated correct, it's all electronic, there is no interaction between the members.

(Evaluation of proposals to be performed individually and evaluated recommendation, tallied electronically, will be brought back to the entire Commission during a public meeting for approval and/or next steps.)

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

Chairman Davenport stated thank you for making that nomination, Commissioner Conrad. I appreciate you stepping up to the plate on that one. Adding, we like our CPAs on this board.

(8) Possible Other Business – Time for Commissioners:

(8-a) FMEA Annual Conference – The Breakers, Palm Beach, FL – July 12-14, 2022:

Mr. Bunch introduced this item by stating we have the annual FMEA conference, which is Florida Municipal Electric Association. It's also attended by many of the FMPA members as well as FMPA staff. That's in July this year, 12th through the 14th, being held in Palm Beach at The Breakers. I plan on attending because I'm on FMEA, I'm the Treasurer for that organization, and usually a couple of the staff attend as well. So I'll put that out there for consideration for the Commission as well.

After discussion regarding past attendance, Chairman Davenport indicated he would like to attend this year. Commissioner Hawes and Commissioner Smith also indicated they would like to attend.

(8-a) FMEA Annual Conference – The Breakers, Palm Beach, FL – July 12-14, 2022 (cont.):

Commissioner Kelly indicated he probably needed to go but didn't know if he was going to be able to.

Mr. Bunch indicated if he decides he wants to go, just get back with Mrs. Simmons.

Commissioner Conrad asked if the sessions were taped.

Mr. Bunch indicated not taped to his knowledge but indicated the presentation materials had been made available in the past.

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

Commissioner Kelly commended the efforts being made toward obtaining and structuring grant opportunities. Indicated in-house successful efforts are even better.

Commissioner Conrad also commended Mrs. Keehn's efforts toward grant opportunities for the Commission, adding at some point someone may want to quantify the benefits the U.C. received. Also commented on attending the City's Workshop regarding ARPA funds received by the City. The City is still determining where to spend their funds. Indicated septic to sewer had went to the bottom of the list, which was unfortunate in her opinion.

Mr. Bunch indicated it has been communicated to the City that the Utilities Commission could assist, if they have problems finding places to spend, we will help them.

Chairman Davenport complimented Executive staff for assistance provided to some friends and customers moving back to New Smyrna Beach.


Mr. Bunch commended the Customer Service area for this effort; adding they do a great job.

Chairman Davenport concurred, thanked all the team members, and assured it doesn't go unnoticed. Really appreciate what you all do and Mr. Cloud. Then stated meeting adjourned.

There being no further business to come before the Commission, the Regular U.C. Meeting closed at 4:48 p.m.

APPROVED:

ATTEST:



CHAIRMAN



SECRETARY-TREASURER

These minutes were formally approved by the Utilities Commission at their May 23, 2022 meeting.