

*[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, HELD MONDAY, MAY 24, 2021, 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. Commissioner Davenport led in the Pledge of Allegiance and Commissioner Conrad provided the invocation\*. (*\*Comms. Conrad read a prayer given by Archbishop Charles Chaput at a City meeting in Philadelphia in 2011.*) Commissioner Conrad indicated this prayer sort of fit with today and at the conclusion added a few more statements in remembrance of the upcoming Memorial Day.

Roll Call: All of the 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; T. Beyrle, Director, System Ops.; B. Keehn, Director, Information Technology; T. West, Director, Water Resources; B. Beck, Director, Central Services; R. Walsh, Interim Director of Electric Ops.; J. DeFries, Safety & Risk Manager; Laquavius Green; Help Desk Technician; M. Spellers, Sr. Help Desk Technician; D. Simmons, Exec. Services Mgr./ Recording Secretary; General Counsel Thomas Cloud Esquire – Gray|Robinson Attorneys at Law; and John Moss, a member of the public (on-site via appointment).

Safety Message by John DeFries – “Rubber Glove Inspection”:

Chairman Holcomb then stated I’d like to call up, for a safety message, John DeFries.

Mr. DeFries addressed the Commission and offered them a challenge to separate a washer from a bolt wearing lineman gloves. Commissioner Hawes met the challenge and then Mr. DeFries proceeded to display a YouTube video from the Northwest Lineman College entitled “Rubber Glove Inspection”. At the conclusion of the video, Mr. DeFries provided additional facts regarding lineman gloves specific to UCNSB such as glove inspections, testing, electric voltages worked, etc.

Commissioner Conrad confirmed the Class 3 gloves were issued individually to each U.C. lineman and at a cost of approximately \$350 a pair.

(1) Agenda Changes, Additions and Deletions:

Mr. Bunch confirmed there were no agenda changes, additions or deletions.

(2) Public Participation:

Chairman Holcomb confirmed there was no public participation.

(3) Approval of Consent Items:

Chairman Holcomb confirmed none of the Commissioners wanted to pull any of the five agenda items for discussion and then stated I need a motion to approve the consent items.

Commission Action:

Commissioner Davenport stated I so approve; specifically a motion to approve the consent items – item 3-a. Minutes of Regular U.C. Meeting Held 4-26-21 (*Annotated Version – held on-site w/limited public via appts.*), approve as submitted; item 3-b. Granted and Accepted Third Party Utility Easements, ratified the acceptance of the third party granted utility easements granted to UCNSB for Coastal Woods D / Coastal Woods Homeowners' Association, Inc. and for Alba Court Assisted Living Facility / Alba Court Development Group, attached to the agenda item and hereby submitted to the Commission; item 3-c. WRF (Water Reclamation Facility) East Clarifier Drive Unit Replacement Project, approve this project in the total amount of \$108,400, the associated sole source purchase of the East Clarifier Drive Unit from Ovivo USA, LLC in the amount of \$107,400, and authorization for the GM-CEO or his designee to execute any additional documentation for this project; item 3-d. Revising UCNSB 2021 (CY) Regular Meeting Schedule for September and October, 2021 – revising the September and October Regular U.C. Meeting dates to September 28 and October 26 (Tuesdays) respectively; and item 3-e. Agreement for Continuing Professional Services Between UCNSB and KCI Technologies, Inc., to approve the agreement as submitted and authorize the General Manager/CEO or his designee to execute all documents associated with this matter.

Chairman Holcomb stated I need a second.

Commissioners Hawes and Smith simultaneously stated second.

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

(4) General Manager's Report:

Chairman Holcomb stated all right, General Manager's Report, Mr. Bunch.

Mr. Bunch stated before I ask Mr. Chavez up, would just mention two items from the written portion of the General Manager's Report. Indicated the rate consultants would be at the June Regular U.C. Meeting to provide a full presentation and associated recommendations. Added if possible, we'll provide information in advance or offer individual meetings with the Commissioners. Also pointed out and commended the Director of I.T. for acquiring an approximate \$350,000 to \$400,000 APPA grant through FMPA for 24/7 cyber monitoring of the U.C.'s system over three years. Subsequent to completed grant period, staff will explore a

(4) General Manager's Report (cont.):

continuation option. Without initial installation costs included, a current quote was obtained for maintaining two levels of monitoring of about \$50,000 annually. May become more cost feasible after three years and/or additional products may become available for consideration.

Commissioners additionally commended the Director of I.T.'s efforts in obtaining this grant. The U.C. is believed to be only one of six U.S. municipal utilities receiving this opportunity.

(4-a) Financial Status – April 2021:

AND

(4-b) Balanced Scorecard and Enterprise Metrics – April 2021:

Mr. Chavez presented and discussed his April 2021 Financial & Operating Performance Presentation. The change in net assets were approximately \$37,000 (\$0.04 million) due to increased revenue, primarily water and reclaimed water, with continued purchased power favorability. April FYTD capital expenditures were approximately \$9.1 million - \$5.6 million in major projects and \$3.5 million in annual projects. April 2021 year to date operating loss of \$2.4 million compared to 2020 loss of \$1.8 million. Higher than the year before but mainly contributable to increased operating expenses in vegetation management and trimming to reduce outage frequency. This was advanced this year but next year will be on a regular cycle. Also had lower electrical revenues in commercial but expected to increase in the upcoming summer months. The change in net assets improved, from a \$1.2 million loss in April 2020 to \$37,000 in April 2021.

Mr. Chavez then discussed the key performance indicators. Among some of the items mentioned were six total (FY) preventable motor vehicle accidents. Reinforcement will be occurring through upcoming training in safe driving and vehicle backing procedures by the Manager, Safety and Risk. For electric, the SAIFI (frequency) metric, improvement expected as the U.C. continues equipment installations and completion of ongoing reliability items. Also mentioned approximately 97% of customer accounts remain current. The H.R. headcount is under budget by eleven. The U.C. is actively recruiting for five positions with two of the five positions filled in May.

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

Chairman Holcomb then stated Counsel's report, Mr. Cloud please.

General Counsel Cloud mentioned there had been success in modification of the pole attachment legislation and municipal electric entities were not included in other legislation which badly affected cities' Home Rule. He also notified the Commissioners of an upcoming internal meeting at the U.C. with the County, on June 3<sup>rd</sup>, regarding the pending Williamson Boulevard Agreement; hoping to wrap that one up.

General Counsel Cloud continued, as stated earlier the tariff update is planned for next month. Will also be updating the U.C.'s documentation at the Florida Public Service Commission for the electric tariffs. And as part of the capital charge rewrite, the U.C.'s Developer's Agreement is expected to be finalized in June. Planning to have the form of this agreement approved by the City as many of these agreements are expected to last more than four years, so

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

it might be prudent to have the City go ahead and approve the form, so the agreements won't have to be individually taken to the City for approval. Added the City has been helpful with the U.C. on similar issues in the past.

(6) Old Business:(6-a) FDEP Easement Request for Barracuda Bridge Utility Relocations – Proposed UCNSB Resolution No. 2021-05:

Ms. Couillard came to the podium and addressed the Commission by stating this is related to the Barracuda Bridge Replacement Project. In doing that we're re-routing some of our facilities and upgrading our lift station. To do so we need the ability to have an easement on the Marine Center property. So to do that, Mr. Cloud put together a resolution for us to be able to obtain those easement rights on that property. That's all this pertains to.

Commission Action:

After confirming with Ms. Couillard that this matter had been communicated to the Marine Center and all were on board, Commissioner Hawes then stated okay, I'd like to make the motion to approve that. Specifically a motion to approve proposed U.C. Resolution No. 2021-05 which will allow the Utilities Commission to obtain an easement on State Owned Uplands from FDEP to support the utility relocations due to FDOT Barracuda Bridge Project. This resolution shall take effect immediately upon passage. GM-CEO prior authorization for this project's documentation is ongoing.

Chairman Holcomb stated okay, second?

Commissioners Davenport and Conrad simultaneously stated second.

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

Chairman Holcomb then inquired about and requested Ms. Couillard to follow up with the City regarding an alternate route for golf carts during the planned temporary bridge closure.

Ms. Couillard indicated she would ask the City, adding golf cart access had not come up during the recent U.C. public informational meeting on this project (held 5-4-21 at the Brannon Center).

(7) New Business:(7-a) UCNSB Municipal Fiber-Optic Network System Cost Sharing Agreement with the City of NSB and City and UCNSB Fiber Projects:

Mrs. Keehn introduced Thomas Farmer, I.T. Director for the City of New Smyrna Beach and then proceeded with her powerpoint presentation entitled UCNSB Fiber Optic Network. The presentation included information regarding the historical background of the fiber network, current fiber infrastructure (fiber locations and span lengths), associated partnership opportunities and details of U.C. (two) and City (three) fiber projects, the Cost Sharing

(7-a) UCNSB Municipal Fiber-Optic Network System Cost Sharing Agreement with the City of NSB and City and UCNSB Fiber Projects (cont.):

Agreement and upcoming U.C. telecom strategy – recommendations from Burns & McDonnell regarding build out of U.C.'s fiber loop along with other communications technologies to accomplish the Modernization Roadmap goals.

Commission Action:

After discussion and a number of questions between staff and the Commissioners, Chairman Holcomb stated any other questions? There being none he stated I need a motion to approve the UCNSB/City Facilities Cost Sharing Agreement.

Commissioner Smith stated so moved; specifically a motion to approve the UCNSB/City of NSB I.T. Facilities Cost Sharing Agreement, to be executed by U.C. Chairman, inclusive of three (3) additional I.T. Facilities Projects for the City of NSB funding a total amount of \$152,975.56; and approval of two (2) UCNSB Fiber-Optic Network projects in the amount of \$196,915.43, with authorization for the GM-CEO or his designee to execute all documents associated with these projects.

Chairman Holcomb stated we need a second.

Commissioner Hawes stated second.

Chairman Holcomb stated okay, Mrs. Simmons please call the roll.

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

(7-b) 2021-22 Collective Bargaining Agreement Reopener Between UCNSB and IBEW Local 2088:

Mr. Bunch stated okay the next item we have is the Collective Bargaining Agreement and Ms. Beck is going to walk us through that.

Ms. Beck addressed the Commission and then explained the five items listed on the memorandum of agreement attached to the agenda item; the items negotiated with the Union for the 2021-22 CBA Reopener.

Commission Action:

Chairman Holcomb stated any questions Commissioners? Okay, then we need a motion to approve items one through four. (*sic – s/b one through five; there was a scrivener's error in the recommended action on the agenda item*).

Commissioner Davenport stated I'll make that motion; specifically a motion to approve Items 1 through 5, as specified in the exhibit – Memorandum of Agreement, that was accepted by authorized representatives of both parties and as ratified by the Bargaining Unit on May 14, 2021, with effective dates specified by each item. (Note - Included a General Wage Increase (GWI) of 2.5% for Bargaining Unit employees effective 10-1-21.)

Chairman Holcomb stated we need a second.

(7-b) 2021-22 Collective Bargaining Agreement Reopener Between UCNSB and IBEW Local 2088 (cont.):

Commissioner Conrad stated second.

Chairman Holcomb requested Mrs. Simmons to call the roll.

Mrs. Simmons stated and clarified, approval for items 1 through 5.

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

(8) Possible Other Business – Time for Commissioners:

Chairman Holcomb then stated, and Mrs. Simmons brought this to my attention for Other Business – Time for Commissioners, there's the FMEA/FMPA Annual Conference, July 20-22, 2021. It's in, looks like Naples, Florida. Anything else you wanted to add to that or Mr. Bunch?

Mrs. Simmons stated we're just trying to determine interest in going.

Commissioner Davenport stated I'd like to go to this.

Chairman Holcomb stated okay.

Commissioner Smith stated he would like to attend as well.

Discussion ensued by Chairman Holcomb and Mr. Bunch regarding their previous attendance to this annual conference in previous years.

Commissioner Hawes then briefly discussed the substantial increases in consumer and producer pricing and uncertainty surrounding proposed legislative policies which has been causing some "shaking" in the U.S. business community and retail households. Indicated he wanted to get this on the record. And while nobody knows, believes there may be a different business environment next year – one not seen in over 30 years.

Commissioner Davenport concurred with Commissioner Hawes regarding a different business environment and added it was an honor to be serving on this Utilities Commission.

Commissioner Smith stated and reiterated the U.C. was a very transparent organization and presenting a lot of information.

Commissioner Conrad commended General Counsel and others in the industry, as well as the Chairman, for their efforts to prevent the pole intrusion into our home rules. Also added that there was some home rule that passed that is going to certainly change the way we do some things in our local community. Also pointed out there was a local coalition and group trying to make sure we maintain as much home rule as we possibly can; have a number of residents really interested in protecting our rights in our community.

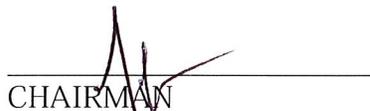
(8) Possible Other Business – Time for Commissioners (cont.):

Chairman Holcomb commended staff for the U.C./City Fiber Cost Sharing Agreement. Stated this was an example of working together for the ratepayers and the taxpayers – sharing expenses which benefits the consumer. And the more that these agreements keep coming and the more I see us with a willingness to work on behalf of the community of New Smyrna Beach, that's where I really take a lot of pride in for that. So I commend you all for because it takes you guys getting along, working together to achieve that, not us. So thanks to all of you for that and that's all I've got for today; meeting is adjourned.

There being no further business to come before the Commission, the Regular U.C. Meeting closed at 4:12 p.m.

APPROVED:

ATTEST:

  
CHAIRMAN

  
SECRETARY-TREASURER

These minutes were formally approved by the Utilities Commission at their June 28, 2021 meeting.