

*[ANNOTATED VERSION\*]*

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

MINUTES OF PRELIMINARY PUBLIC HEARINGS (2) AND A REGULAR MEETING OF THE UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA, HELD MONDAY, JULY 26, 2021, AT 3:00 P.M., AT 200 CANAL STREET, NEW SMYRNA BEACH, FLORIDA

*(NOTE – THIS REGULAR U.C. MEETING WAS HELD ON-SITE)*

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.

Safety Message by Tim Beyrle – Generator Safety – Customers and UCNSB Employees Protection:

The Director of System Operations – Tim Beyrle provided some internal locational safety features and then statistical facts surrounding carbon monoxide poisoning, as well as safety tips for installing and operating portable generators. Also emphasized back feeding dangers from improperly installed generators.

Roll Call: All of the U.C. Commissioners were in attendance as follows:

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

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; V. Steele, Director, Electric Operations; John McMurray, Director, Strategic Programs; E. Fisher, Community Relations | Public Information Officer; J. Michel, I.T. Manager, Infrastructure; #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, and an unidentified woman and man, all members of the public.#

(1) Agenda Changes, Additions and Deletions:

There were no agenda changes, additions or deletions.

(Note - Chairman Holcomb determined Preliminary Public Hearings No.1 and No. 2 would be held after the completion of the consent items.)

(2) Public Participation:

Chairman Holcomb confirmed there was no public participation.

(3) Approval of Consent Items:

Chairman Holcomb asked the Commissioners if they wanted to pull any of the consent items for discussion.

Commissioner Smith indicated he wanted to pull 3-e. and 3-g.

Chairman Holcomb requested a motion to approve the remaining consent items (items 3-a., 3-b., 3-c., 3-d., and 3-f.)

Commission Action:

Commissioner Davenport stated so moved; specifically a motion to approve the consent items – item 3-a. Minutes of Regular U.C. Meeting Held 6-28-21 (*Annotated Version*), approve as submitted; item 3-b. Ratification of Award – ITB #15-21 – Reuse Reservoir Expansion and Pump Station Replacement, ratify award to Carr & Collier, Inc., in the amount of \$1,807,300.00 and authorize the General Manager/CEO or his designee to execute all documents associated with this matter; item 3-c. Ratification of Award – ITB #13-21 - Lift Station 5 Reconstruction plus bid alternate 2 – Miscellaneous Sewer Improvements and alternate 3 – Lift Station No. 73 Improvements Projects to Intercounty Engineering, Inc. in the total amount of \$1,838,010.36. Previous overall project authorizations, referenced in the agenda item, for the General Manager/CEO or his designee to execute all associated project documentation is ongoing for these three projects; item 3-d. Renewal of Microsoft Enterprise Licensing Agreement (2021-2024), approve the Enterprise Licensing Agreement and award a purchase order to Software House International (SHI) in an amount not-to-exceed \$206,477.70 for renewal of licensing of U.C.’s Microsoft software within the Enterprise Agreement for the next three years (2021-2024); and item 3-f. Ratification of Award – ITB No. 11-21 – Barracuda Bridge Utility Replacement and Increase in Project Budget, ratify the award to Young’s Communications, LLC, in the amount of \$2,927,011.00 and a project budget increase in the amount of \$562,315.00, increasing the total budget for this project to \$2,995,000.00. Previous overall project authorization, referenced in the agenda item, for the GM-CEO or his designee to execute all associated project documentation is ongoing.

Chairman Holcomb stated I need a second.

Commissioners Hawes and Conrad simultaneously stated second.

Chairman Holcomb requested Mrs. Simmons to call the roll for the motion.

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

(3-e) Wellfield Rehabilitation – Hydrogeological Services – Work Assignment No. 2 for FY2022 to Kimley-Horn and Associates:

Commissioner Smith pulled this consent item for additional information and discussion regarding what was involved in the well rehabilitation and what was Kimley-Horn’s role in this process.

Ms. Couillard explained and provided details for the process, assessment, and Kimley-Horn’s participation in developing a rehabilitation plan for the U.C.

Mr. West provided additional details of work, along with an expected project timeline and ultimate maintenance program. Pointed out this work is budgeted but any determined large asset replacements would come back before the Commission for approval.

(3-g) Bid Award – ITB No. 09-21 – Transmission Right-of-Way Vegetation Management:

Commissioner Smith inquired about the original amount approved by the Commission for this item.

Ms. Couillard explained this was a new program, for transmission right-of-way clearing, was not a budget item before.

Mr. Bunch additionally explained the U.C. was implementing a cyclical trim on the transmission system for grid reliability requirements (separate from the ongoing distribution system).

Regarding a different consent item, Ms. Couillard also explained to Commissioner Hawes that when the U.C. has an “owner’s” engineer performing design work they are also included in the subsequent bid evaluations.

Commissioner Smith also commended U.C. staff for the savings of approx. \$300,000 depicted on consent items 3-b. and 3-c.; based upon approval and what the bids came in for.

(3-e) Wellfield Rehabilitation – Hydrogeological Services – Work Assignment No. 2 for FY2022 to Kimley-Horn and Associates:

AND

(3-g) Bid Award – ITB No. 09-21 – Transmission Right-of-Way Vegetation Management:

Commission Action:

Commissioner Conrad stated I’ll make that motion; specifically for item 3-e. – approve the work assignment no. 2 (attached to agenda item) for FY2022, for Wellfield Rehabilitation – Hydrogeological Services, to Kimley-Horn and Associates in the amount of \$50,520.00, and the overall budget to date of \$118,139.00 and authorize the GM-CEO or his designee to execute all documents associated with this work and for item 3-g. – approve the award of ITB No. 09-21 – Transmission Right-of-Way Vegetation Management to Asplundh Tree Expert, LLC in the amount of \$600,000 with the option to extend the contract for up to three (3) additional one-year periods and to authorize the General Manager/CEO or his designee to execute all documents associated with this matter.

(3-e) Wellfield Rehabilitation – Hydrogeological Services – Work Assignment No. 2 for FY2022 to Kimley-Horn and Associates:

AND

(3-g) Bid Award – ITB No. 09-21 – Transmission Right-of-Way Vegetation Management:  
(cont.):

Commissioner Smith seconded the motion.

Chairman Holcomb requested Mrs. Simmons to call the roll on the motion.

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

Preliminary Public Hearing No. 1 – Regarding Proposed Revisions to UCNSB's Electric Service Rates and Miscellaneous Service Fees (Increases):

Chairman Holcomb conducted the Preliminary Public Hearings at this point in the meeting, with Counselor Cloud's assistance. A roll call was conducted to open the first preliminary public hearing and all of the U.C. Commissioners were still in attendance, same as stated and depicted above during the commencement of the Regular U.C. Meeting.

After stating the title and purpose of preliminary public hearing no. 1 and explaining various requirements, for the two separate hearings and procedures for rule making, General Counsel Cloud then read the title of the proposed U.C. Resolution No. 2020-07, a Resolution of the Utilities Commission, City of New Smyrna Beach, Florida, modifying rates, charges and fees related to electric service, providing findings, providing for severability, conflicts and an effective date.

Chairman Holcomb then opened the public hearing up for public participation, asked if anyone was in attendance that would like to address the Commission, either for or opposed to the proposed revisions to the U.C.'s electric service rates and miscellaneous service fees. There was no public participation at this time.

Mr. Cloud suggested the Commission could take a vote for temporary passage of this resolution to the next hearing, a final public hearing and then final adoption. Indicating this would be the appropriate action take at this time.

Commission Action:

Commissioner Smith stated so moved; specifically a motion to approve the temporary passage of proposed U.C. Resolution No. 2021-07, leading into the next final public hearing.

Commissioner Hawes stated second.

Chairman Holcomb requested Mrs. Simmons to call the roll.

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

This Preliminary Public Hearing no. 1 closed at 3:17 p.m.

Preliminary Public Hearing No. 2 – Regarding Proposed Revisions to UCNSB’s Water, Irrigation, Wastewater and Reclaimed Water Service Rates and Miscellaneous Service Fees (Increases):

Chairman Holcomb then conducted the second Preliminary Public Hearing.

Mr. Cloud stated this preliminary public hearing no. 2 was regarding proposed revisions to the water, irrigation, wastewater and reclaimed water service rates and miscellaneous service fees (increases).

Chairman Holcomb requested a roll call and all of the U.C. Commissioners were still in attendance, same as in attendance for preliminary public hearing no. 1 and commencement of the Regular U.C. Meeting.

Mr. Cloud then proceeded to read the title of proposed U.C. Resolution No. 2020-06, a Resolution of the Utilities Commission, City of New Smyrna Beach, Florida, modifying rates, charges, and fees related to water, wastewater, and reclaimed water service providing findings, providing for severability, conflicts and an effective date. Also stated I just want to point out for the record, I believe there will be a minor change though important, in section 15, which will clarify the resolution controls over the summary sheets. That is because the legislative act of this Commission always controls over any other document when it comes to rate setting.

Chairman Holcomb then opened the public hearing up for public participation, asked if anyone was in attendance that would like to address the Commission, either for or opposed to the proposed revisions to the U.C.’s water, wastewater, and reclaimed water service rates and miscellaneous service fees. There was no public participation at this time.

Chairman Holcomb then requested a motion to temporarily approve this resolution – no. 2021-06.

Commission Action:

Commissioner Hawes then stated so moved; specifically a motion to approve the temporary passage of proposed U.C. Resolution No. 2021-06 (inclusive of a minor modification to section 15), leading into the next final public hearing.

Commissioner Davenport stated second.

Chairman Holcomb requested Mrs. Simmons to call the roll.

Commissioner Hawes’ motion then passed unanimously in a roll call vote.

This Preliminary Public Hearing no. 2 closed at 3:21 p.m.

(4) General Manager’s Report:

Chairman Holcomb then stated at this time the General Manager’s Report, Mr. Bunch.

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

Mr. Bunch stated okay, if I could, ask Mr. Efren Chavez, Director of Finance and Accounting, to go to the podium and cover the Financial Status for us, for June as well as the Balanced Scorecard Enterprise Metrics.

(4-a) Financial Status – June 2021:

Mr. Chavez addressed the Commission by stating good afternoon and proceeded to the first slide of his presentation entitled “June 2021 Financial Performance”. The fiscal year to date change in net assets was approximately \$1.6 million, driven by increased revenue due to prior year's two-month suspension of the U.C.'s fuel adjustment charge (due to COVID), plus incremental revenue from reclaimed water and water usages. The U.C. was at \$12 million year to date for capital expenditures - \$6.9 million in major projects and \$5.1 million in annual projects. He stated the U.C. staff is continuing to aggressively execute capital work. A full year forecast is at \$15 to \$16 million. The operating income, June year to date, is a \$1.9 million loss which reflects lower revenue from the two-month fuel charge suspension and increased revenue due to the reclaimed water and water usage due to hotter weather. There was increased depreciation and amortization, slightly lower net purchased power this period, and then an operating expense increase. This increase is the vegetation management but as we start to compare fiscal year 2022 to this year this will start to even out. Also pointed out, as stated earlier in the meeting, the transmission right-of-way is separate from the normal vegetation management. This will be clearing for example on the Cassadaga line, different from the vegetation management discussed earlier this year.

Mr. Chavez then stated going to the full bottom line, change in net assets, goes past the operating income/loss - slightly positive on the net interest income and debt expense. Last year had the one-time approximate \$800,000 expense related to the bond issuance. On the capital contributions side, slightly lower. When comparing FY2020 to FY2019, it really is on the timing of the developments. Pointed out Ms. Couillard and the Engineering team included a section in the General Manager's Report depicting the expected number of new lots for the balance of the year.

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

Mr. Chavez proceeded to the next slide of his presentation – key performance indicators (KPI) update. Explained the majority of the KPI's were green in June 2021. For safety and risk there were no OSHA incidents in June and actions are being taken to minimize the number of preventable motor vehicles accidents (PMVA's) – currently red for fiscal year to date. Majority of these were backing incidents and defensive driving training has been secured from an outside third party, to be held in July and August, and the vehicle safety rule book will be reinforcing backing requirements; ideally to take this trend back down. Then discussed electric reliability – SAIFI (frequency) was high for June - 9,000 customer interruptions, with 3,000 due to line 16 vegetation management; trimming is planned for this line. KPI's for SAIDI (duration) and CAIDI (restoration) remained green for June and the reliability improvement plan will address areas lagging in performance. Then proceeded to customer service, the majority of accounts pulled for disconnection pay prior to actual disconnect and disconnected accounts usually reconnect quickly. Right now the U.C. has had the best performance in the last 12 months on account receivable balances, almost 98% current, majority are less than 30 days old. On billing and collections performance, meter reading and estimated bills, first-time meters reads were also 98%.

(4-b) Balanced Scorecard and Enterprise Metrics – June 2021 (cont.):

On the H.R. side, currently under budget by nine employee positions and actively recruiting for five. And on organizational risk for cybersecurity, due to ongoing I.T. training and employee participation, remaining low on that risk profile. This concluded Mr. Chavez's presentation.

(4-c) Introduction of new Directors – Director, Electric Operations / Vernon Steele and Director, Strategic Programs / John McMurray:

Mr. Bunch then provided brief introductions for these two new Directors, including prior employment, education and experience. Mr. Steele previously worked at Florida Power & Light, was a regional manager of Substation & Transmission. He started his career in a Tennessee municipality, so he grew up in the municipal electric world and got degrees in electrical engineering and a MBA from the University of Tennessee before moving to Florida about 12 or 13 years ago and starting work at FPL. He's a local resident from Deland and he started with us a couple of weeks ago. Then next, Mr. McMurray joined us about three weeks ago and although a life-time resident and native of Florida, for the prior couple of years had been up in North Carolina and was Vice President of Energy Delivery at Energy United. Prior to that he spent his career in the municipal and coop. electric world in Florida and earlier in his career at Florida Power & Light as well. Mr. McMurray is a mechanical engineer from the University of Florida, also has a MBA and is in the role of Director of Strategic Programs. So all of our modernization initiatives, projects, systems, technology investments, he's going to be managing those projects, helping us execute and try to get all of this stuff done in a timely manner. All the things we've said we want to do on behalf of our customers in the community in terms of improving the business and systems, we'll be able to do that.

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

General Counsel Cloud provided a brief update on the Williamson Boulevard Agreement. Final version expected in August – pretty close to having something to bring to the Commission on this matter next month.

(6) Old Business:

There were no items of old business for consideration.

(7) New Business:

(7-a) FY2022 Healthcare Insurance Renewals (Carriers/Coverages listed on AI Summary):

Ms. Beck addressed the Commission and presented the fiscal year 2022 healthcare insurance renewals for the U.C. The majority of the plan renewals were at 0% renewal rates with various rate guarantees until 2022 and one until 2024. Dental insurance renewed at a 4% increase and major medical at a 15% overall renewal increase – HMO plan at a 13% increase and Triple Options plan at a 18% increase. HMO plan adjustments for the negotiated lower renewal rate were for out of pocket costs for services that may or may not be used (hospital, emergency room, outpatient surgical facility, ambulatory surgical center, etc.) – details provided in the agenda item exhibit.

(7-a) FY2022 Healthcare Insurance Renewals (Carriers/Coverages listed on AI Summary) (cont.):

Ms. Beck also provided some historical information related to the major medical renewal, the cap for this year at 20% due to a medical claim loss ratio of 126% last year – Florida Health Care paid out 26% more than premiums paid by the U.C. In December the U.C. was down to a 117% MLR and is currently at 104% - experiencing a downward trend which is very positive. Hoping to remain in this downward trend and start evening out renewals for major medical next fiscal year.

Chairman Holcomb then stated any questions by the Commissioners? There being none, he stated okay, we need a motion to approve.

Commission Action:

Commissioner Davenport stated so moved; specifically a motion to approve the continuance of employee healthcare insurance for FY2022 with the listed carriers and coverages in the summary section of the agenda item (carriers - Florida Healthcare Plans (FHC); The Standard, EyeMed, Colonial, Basic Life/FSA, Minnesota Life, and Lincoln) to be effective 10-1-2021 through 9-30-2022 and the FSA renewal's effective 1-1-2022 through 12-31-2022.

Commissioners Smith and Conrad seconded the motion.

Chairman Holcomb requested Mrs. Simmons to call the roll.

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

Commissioner Davenport asked Ms. Beck who was the U.C.'s agent of record.

Ms. Beck answered PRIA.

(8) Possible Other Business – Time for Commissioners:

Commissioner Davenport then provided some feedback on the FMEA/FMPA Annual Conference he attended in Naples, Florida. Indicated the conference was very, very informative and he now had additional reassurance in the area of the U.C.'s I.T. Department; confirmed our I.T. Department is ahead of the curve in comparison to others. (Commissioner Smith, Mr. Bunch and Mr. Chavez also attended this conference.)

Commissioner Smith also provided some feedback relating to the conference and regarding the topic of electric vehicles. Suggested potential planning and partnering with public entities, as well as exploring funding opportunities associated therewith, the U.C. may want to consider this in the near future.

Discussion ensued regarding the current status of this industry, associated challenges and necessary determinations surrounding the roles of each agency and when this proposed planning should occur.



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

Mr. Bunch pointed out the large investor-owned utilities, within their approvals from the Public Service Commission, receive a guaranteed rate of return on their capital investments – for their installation of electric vehicle charging stations. Whereas the challenge for the U.C. will be utilizing borrowed funds and that we cannot give away services, will have to have this revenue funded. But added the U.C., working with the City and/or County, they would be good partners to look at for this.

There being no further business to come before the Commission, the Regular U.C. Meeting closed at 3:56 p.m.

APPROVED:

ATTEST:

\_\_\_\_\_  
CHAIRMAN

  
\_\_\_\_\_  
SECRETARY-TREASURER

These minutes were formally approved by the Utilities Commission at their August 23, 2021 meeting.