

**AGENDA ITEM 3-a (3)**

MINUTES OF A REGULAR MEETING OF THE UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA, HELD MONDAY, FEBRUARY 28, 2022, AT 3:00 P.M., AT 200 CANAL STREET, NEW SMYRNA BEACH, FLORIDA  
*(NOTE – THIS REGULAR U.C. MEETING WAS HELD ON-SITE)*

Chairman Davenport opened the Regular U.C. Meeting. Commissioner Hawes led in the Pledge of Allegiance and Commissioner Conrad provided the invocation.

Safety Message by Efren Chavez / Ellen Fisher – Modernization\* Video:  
(\*Enabling Enhanced System Security and Safety in Utility Services)

Mr. Chavez addressed the Commission and stated just a little intro. on this. It is related to safety in the sense of as we move to the future on the modernization and all the improvements that we're doing it will promote a safety environment in the sense of we'll have better data on what's causing the outage, where is the outage, so therefore we'll have more data than just walking in cold on an existing outage or upcoming. So with that, this video, Mrs. Fisher and Brent Elite put together the video and it's really, really good – where we're going for the future and what's coming down the pike for the U.C.

After completion of displaying the U.C. Modernization Video, Mr. Chavez stated this is under the Modernization section on our website and it's a pretty good example, a quick link there. Unless there's any other questions?

Commissioner Conrad stated very nice, thank you.

Chairman Davenport also stated thank you.

Mr. Bunch thanked Mr. Chavez and Mrs. Fisher; adding Mrs. Fisher has done a really good job working with the videographer on these, very nice.

Chairman Davenport stated that was very informative, it's nice to see us going into the 21<sup>st</sup> century and this is all about the future, what we're doing here for this city and our investing and where our money's going; so thank you.

Roll Call:

Chairman Davenport then stated okay, get a roll call please Mrs. Simmons.

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

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

Roll Call (cont.):

Others in attendance 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; S. Heil, Interim Water Resources Director; John McMurray, Director, Strategic Programs; M. Spellers, Sr. 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, Lisa Martin, members of public in attendance on site.

(1) Agenda Changes, Additions and Deletions:

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

Mr. Bunch stated one minor change regarding item 4-b. When Ms. Couillard is up, she's not going to cover the second half of that item which is the Western Complex in detail because she presented that at the Joint Workshop last week. However, if you have any questions about what's going on out there with development of the Western Complex, I'm sure she would entertain your questions at that time.

Chairman Davenport stated okay, so that's it on that part.

(2) Public Participation:

Chairman Davenport stated number two on the agenda, any public participation? Anybody on the phone? Then stated no public participation, okay moving on.

There was no public participation at this time.

(3) Approval of Consent Items:

Chairman Davenport stated number 3. Approval of Consent Items. Anyone like to pull anything?

Commissioner Hawes stated yes, I'd like to pull 3-h., the Alpine Communication.

Chairman Davenport stated 3-h., okay. I'd like to pull.., Commissioner Smith would you like to pull anything, I'm sorry sir.

Commissioner Smith commented that's okay, I get ignored all the time, then stated item 3-e.

Chairman Davenport stated okay, good I don't have to pull it. Anybody else, Commissioner Kelly, Conrad? I'd like to pull 3-c. So we can have approval on a., b., d., f. and g.

Commissioner Smith stated so moved; specifically a motion to approve the remaining consent items – item 3-a. Minutes of Regular U.C. Meeting Held 1-24-22, annotated version, approve as submitted; item 3-b. Tasks Approval – Reclaimed Water Pumping Station Assessment and

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

WRF Pumping Systems Evaluation, approve the stated assessment and evaluation with Kimley-Horn (Tasks 1.0 and 2.0) in the total amount of \$76,000.00 and authorize the GM-CEO or his designee to execute all documents associated with this matter; item 3-d. Agreement Approval – Pole Attachment Licensing Agreement Between UCNSB and Wire 3 LLC, approve this agreement as submitted and authorize the GM-CEO or his designee to execute documents associated with this matter; item 3-f. Project Approval – Outage Management System (OMS) Project – Milsoft Utility Solutions (single source vendor), approve the overall project in the amount of \$375,000 for a four year period, inclusive of the approval of a single source award to Milsoft Utility Solutions (software subscriptions, configurations, support and training costs) in the amount of \$263,000, and authorize the GM-CEO or his designee to execute all documents associated with this project; and item 3-g. UCNSB Brand Refresh, approve the brand refresh comprising of a new logo, DBA registration and trademark, with authorization to move forward in a phased implementation process for completion of the associated next steps. (Updates on implementation progress or additional funding requests when necessary will be brought back before the Commission for approval.)

Commissioner Conrad stated second.

Chairman Davenport stated Mrs. Simmons, call the roll please.

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

(3-c) Ratification of Award – ITB No. 01-22 Glencoe WTP Chemical Systems Improvements:

Chairman Davenport stated I wanted to look at, let me get my notes here. I'll just go ahead since I'm 3-c., go ahead and start it here. Regarding 3-c. that's on the Odyssey, correct?

Ms. Couillard stated yes sir.

Chairman Davenport continued, is that right, yes, I'm just a little bit concerned and help me, give me some clarification that when we, you look at our summary in 2020 we started out with a cost of \$1.5 million for simplicity sake. Then all of a sudden, we come back and we're adding in \$2.35 million, to \$3.5 million. I'm just thinking gosh, how in the world did we miss \$2 million on that to me, and if you can explain that to me.

Ms. Couillard stated sure, when we did the original budget and we looked at the project, we assumed that we could reuse our current buildings out there. The buildings are not usable, so we had to as we were doing the design work, understand that we couldn't reuse those buildings. They can't be shored up, they're in really bad shape. So we had to add two more buildings on to the project and that's why that's, that's what its for.

Chairman Davenport stated okay, and added in this proposal also I'm curious, you know when you talk about water, we have plenty of security around there. I mean extra security, barbed wire, people can't get in there and do anything to us, put the "koolaid" on us.

(3-c) Ratification of Award – ITB No. 01-22 Glencoe WTP Chemical Systems Improvements (cont.):

Ms. Couillard stated no, we've shored up the place quite well. When I first got here...

Chairman Davenport stated so it's just an oversight I guess, the buildings wouldn't work so there it is, we need the buildings.

Ms. Couillard stated the buildings need to be rebuilt completely.

Mr. Bunch stated yes, the other aspect of that is the existing chlorine gas building has an open side and you have several pounds of chlorine tanks that are open to a fence. And if somebody was so disposed to try to wreak havoc it would be easy to do today, so part of the new design in constructing the building I think eliminates that and it's completely enclosed.

Ms. Couillard simultaneously stated it's enclosing all of it.

Mr. Bunch continued, Ms. Couillard we did a similar project to this several years ago, it was prior to my time but could you describe what was done at the WRF.

Ms. Couillard stated I don't know.

Mr. Bunch stated maybe Mr. Heil could talk to what was done and when that was completed.

Mr. Heil stated it was before me too but it's a conversion of gas chlorine there as well; it's converted from gas to bleach. So they used the existing building there because it was structurally sound, and it was reasonable to do the work there. The building at the Water Plant is falling apart, the roof leaks, when it rains outside it rains inside – it's in bad shape.

Ms. Couillard commented it's in really bad shape.

Mr. Heil stated and we're doing CO<sub>2</sub> also, the carbon dioxide we need to have for the PH control and it's going to ammonia and gas chlorine, so it's three chemicals that we're building three structures for.

Chairman Davenport stated thank you.

Mr. Bunch stated and what additional safety comes out of it, like not physical safety but the product safety if you were to have a spill versus what happens today with either of those chemicals.

Mr. Heil stated the sodium hypochlorite is just like bleach, just strong bleach. So I mean it has, the chlorine it can overwhelm somebody and that sort of thing if you get engulfed in it. But it's not a gas chlorine where you're getting gas in the surrounding area and killing people, the kill zone I guess is what C.J. called it that one day. This will make it a lot safer and we're getting rid of the ammonia gas as well, and it will be liquid ammonia.

Ms. Couillard stated, and we don't have to have the EPA...

(3-c) Ratification of Award – ITB No. 01-22 Glencoe WTP Chemical Systems Improvements (cont.):

Mr. Heil stated yes, we won't have a risk management, an EPA controlled risk management plan for hazardous chemicals, so they're not technically hazardous any longer.

Chairman Davenport stated thank you, okay that answers mine but when you look at something going up that magnitude you just had to question it.

Ms. Couillard stated I agree, absolutely, no problem, any time.

(3-e) Project Approval – Lift Station No. 2 Permanent Generator Project:

Chairman Davenport stated all right, moving on, 3-e., project approval there, lift station, Commissioner Smith.

Commissioner Smith stated okay, I know a little bit about generators, not much, but enough to ask questions. What is the wattage requirement for the lift station, what does the generator have, what's the output?

Ms. Couillard commented you guys are catching me flat footed today.

Commissioner Smith stated that's okay, this is an aside, in 1960 we had the only generator after Donna passed through New Smyrna, it was a World War II generator which I wouldn't recommend using those now.

Ms. Couillard stated it's in here\* somewhere (\*agenda item documentation).

Mr. Heil stated we put a 150 KW portable in there, we bring in a portable in there now for lift station 2 and 3, so they're 150 KW, so it's in that range somewhere, may be a little less, a little more. Corrected, I mean it's not any more obviously, a little less.

Commissioner Smith stated so its going to run off diesel, so you're going to have a diesel tank at that station.

Mr. Heil stated it's got a diesel tank with it, it's a trailer-mounted unit.

Commissioner Smith stated okay, so here's the question that came up with it, it might not be a smart question, but it's never stopped me before. Is it possible to run these things off of natural gas?

Mr. Heil stated it is.

Ms. Couillard stated yes, if its available.

Commissioner Smith continued because I would think that there's probably a natural gas line that would be closer and it wouldn't require storage of diesel fuel. You know my experience with storage of diesel fuel is it goes bad after a while.

(3-e) Project Approval – Lift Station No. 2 Permanent Generator Project (cont.):

Mr. Bunch stated one of the downsides of natural gas in a coastal community is when you need these like in the event of a hurricane or storm, natural gas systems often suffer water infiltration.

Ms. Couillard interjected they're offline.

Mr. Bunch continued, which renders the fuel useless, whereas diesel I think you construct high, it's got a berm and if there's a flood hopefully that stays out of harm's way.

Commissioner Smith stated okay, I was just curious because if it is available and it is a clean burning fuel for sure.

Mr. Heil stated we have a couple of smaller ones that are on natural gas, at our small lift stations; this one here is a significant generator and the diesel, our maintenance department, they maintain the diesel fuel, they clean, they filter it, they check it periodically so and you know its only got a five-day run time anyway and the tank that's there has a five to six day run time. So we'll be replenishing it as its running, it's kept at certain levels before storm, we raise the level of fuel higher at storm time; it's kept relatively low and clean.

Commissioner Smith stated okay, see I didn't know much about generators did I.

Ms. Couillard stated of course you do.

Mr. Bunch commented it's impressive.

Ms. Couillard added we're also rebuilding lift station 3 which is south of there on Saxon and we're sizing both of them at the same time, so we're going to buy them together so we can get better pricing.

Chairman Davenport stated I wanted to ask, to me when you look I don't know, when you look at a generator at your house, you look at big generators like out behind Home Depot and Walmart. I'm used to looking at a lot of that stuff, insured a lot of things. That's \$77,000 for a consultant to tell me how to set up a generator and design it, I mean, I don't know it seems like a lot of money. I'm not, maybe you can help me out on that, you look across there, in April, and May, and June, July and August \$15,000 a month, it's like I'd like to be that consultant. Help me out a little bit on that, could you please.

Ms. Couillard stated yes, so it's not just design.

Chairman Davenport interjected permitting.

Ms. Couillard continued, it's designing what needs to be at station, permitting which is a big thing. Have to manage your permitting, get approvals before you can even start working,.

(3-e) Project Approval – Lift Station No. 2 Permanent Generator Project (cont.):

Chairman Davenport interjected okay, I'll accept that now after seeing, I know permitting, thank you, that's all I need to hear Ms. Couillard. I knew but after I thought about it a minute, I said no.

Commissioner Kelly stated for a diesel tank.

Ms. Couillard stated yes, exactly and it's you know, beachside.

Chairman Davenport stated right.

Commissioner Smith stated I don't want to blow on the permitting issue but where, who is permitting this?

Ms. Couillard stated we would permit it with the DEP, with EPA, diesel requirements, deliveries, all kinds.

Commissioner Smith stated okay, so there's more than just...

Ms. Couillard stated it's more than just getting a permit from the City or the County.

Commissioner Smith stated okay.

Commissioner Kelly stated yes, you permit a diesel tank it will take your breath away, it's amazing.

Chairman Davenport stated yes, and I hear this Utilities Commission, getting a permit here.

Mr. Cloud stated better than the alternative.

Mr. Bunch stated touche'.

(3-h) Contract Approval – Alpine Communication Corp. – Distribution Engineering and Pole Attachment Permit Processing:

Chairman Davenport stated okay, let's move on to 3-h., please.

Commissioner Hawes stated the question there is not so much of what we're trying to do but I just started looking through the information, but it just seemed to me that there was just a ton of paperwork associated with this contract and the like. And I could be wrong about this, but it just seemed voluminous compared to what we see for the most part, not just in this packet but in times past. And I wondered is there anything in the documents that are different or unique to what they're up to versus what we might ordinarily get involved with. In other words is there some form of risk or something that we're...

(3-h) Contract Approval – Alpine Communication Corp. – Distribution Engineering and Pole Attachment Permit Processing (cont.):

Ms. Couillard stated no, not really, I mean they're just, quite honestly, we're getting bombarded with pole attachment permits and these people will manage it. They'll track the fees, apply the fees, they have said they will give us free third-party pole attachments, so they'll walk our system. And it's more they manage it and they keep the vendors on track, like if they don't respond then you've got to re-apply, it's a lot of work.

Mr. Bunch stated talk about the type of activities that drive these requests and the role of these people versus the utility and then who's paying for their services if you would.

Ms. Couillard stated yes, they do this work for FPL, they've been doing it for years for FPL and for JEA. And it's any third party who wants to attach to our pole line, so a new fiber, Spectrum, AT&T, there is Wire 3 which you saw the contract in here. They are coming in here and they are offering fiber to the home so they have to apply with us and we do, not only with this group manage the permitting but they would also do the design work and they will tell them if they have to upgrade a pole, they have to pay for it. So it's a lot of work, a lot of really busy work and we have such big projects that when I talked to them they actually manage the pricing, they manage the permit fees, the make-ready work, all of that, and that's what pays for their service.

Commissioner Hawes stated okay, so in other words they're kind of standing in our stead.

Ms. Couillard stated yes.

Commissioner Hawes stated and we, I'm sure they're asking for some indemnifications, type, you know what I mean.

Ms. Couillard stated absolutely.

Commissioner Hawes continued, as I was sort of reading through this I was trying to grasp what, because it seemed like a lot of stuff. Okay, thank you, that was really it.

Chairman Davenport stated you just mentioned there Ms. Couillard, ww something, who's the new one coming in?

Ms. Couillard stated Wire 3.

Chairman Davenport reiterated Wire 3, yes. I just got a mailer on and I was looking at it and I was questioning.

Ms. Couillard interjected me too.

Chairman Davenport continued and asked how long will it take for them to put that fiber optics in?

(3-h) Contract Approval – Alpine Communication Corp. – Distribution Engineering and Pole Attachment Permit Processing (cont.):

Ms. Couillard stated well, they've been waiting to get approval with their contract, and they asked me if we would give them approval to start tomorrow. And I said well, whoa, time out, we'll try but I've gotten six packages, 100 poles each. So once they get rolling, they can do it fairly quickly.

Chairman Davenport stated are they just going in certain areas or ..?

Ms. Couillard stated they are starting beachside, south, coming north, but they just gave me a request for a copy of all of our pole locations. They're intending to go through all of New Smyrna and work their way north, along the coast.

Chairman Davenport stated well, that will give Spectrum some competition.

Ms. Couillard stated sure will, maybe AT&T.

Chairman Davenport added, won't hear maybe about Spectrum driving across the yards and not covering them up like we have in the past; you know some of those things.

Commissioner Smith stated if the poles that they are attaching to, that at some point in time go underground, is there a provision in the contract that they would be required to relocate underground.

Ms. Couillard stated yes, yes sir.

Commissioner Smith confirmed there is and then stated thank you.

(3-c) Ratification of Award – ITB No. 01-22 Glencoe WTP Chemical Systems Improvements (cont.):

AND

(3-e) Project Approval – Lift Station No. 2 Permanent Generator Project (cont.):

AND

(3-h) Contract Approval – Alpine Communication Corp. – Distribution Engineering and Pole Attachment Permit Processing (cont.):

Chairman Davenport stated good question Commissioner Smith. Okay, is that all, we need a motion for item 3-c., 3-e, and 3-h. please.

Commissioner Hawes stated I would move approval for those; specifically a motion to approve consent item 3-c. Ratification of Award – ITB No. 01-22 Glencoe WTP Chemical Systems Improvements and an Increase in Overall Project Budget, ratify the award of ITB No. 01-22 to Odyssey Manufacturing Company in the amount of \$3,034,200 and approve an increased total overall project budget of \$3,532,220. Previous overall project authorization, referenced above, is ongoing for the GM-CEO or his designee to execute all documents associated with this matter; item 3-e. Project Approval – Lift Station No. 2 Permanent Generator Project, approve this project inclusive of proposal from Tetra tech in the amount

(3-c) Ratification of Award – ITB No. 01-22 Glencoe WTP Chemical Systems Improvements (cont.):

AND

(3-e) Project Approval – Lift Station No. 2 Permanent Generator Project (cont.):

AND

(3-h) Contract Approval – Alpine Communication Corp. – Distribution Engineering and Pole Attachment Permit Processing (cont.):

of \$74,931.00 for an overall total project budget of \$180,000.00 and authorize the GM/CEO or his designee to execute all documents associated with this matter. Award of construction contract forthcoming for Commission ratification after bid award completed; and item 3-h. Contract Approval – Alpine Communications Corp. for Distribution Engineering and Pole Attachment Permit Processing Services, approve the contract attached to the agenda item with Alpine for professional engineering services and pole attachment permit processing services for UCNSB (based on JEA’s agreement and solicitation ITN No. 100-16), and authorize the GM/CEO or his designee to execute the associated documentation upon approval.

Commissioner Kelly stated second.

Chairman Davenport stated Mrs. Simmons call the roll please.

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

(4) General Manager’s Report:

Chairman Davenport stated all right, number four, General Manager’s Report, Mr. Bunch.

Mr. Bunch stated okay, if we could I’m going to ask Efren Chavez, Director of Finance/CFO to cover the financial statements and metrics as necessary.

(4-a) Financial Status – January 2022:

Mr. Chavez stated good afternoon everybody. Then requested Mrs. Simmons to go to the first page of the presentation and stated January 2022 fiscal year to date financial statements, change in net assets of about \$1.3 million. So what we’re seeing every month this year versus the prior year is the effect of the rates and such, has taken effect to put us in a much more firm financial footing; that’s what you’ll see in the comparison. The big drivers from a fiscal year to date versus last year, increased revenue – usage, volumes and the rates, lower operating expenses, and increased capital contributions. Now what we do have, some offsets, which is different than it was the prior year, we do have lower electric consumption, that’s about 6% down from the prior year and we do have increased purchased power. So we’re seeing that, and you’ll see that, noticing the headlines, you’ll see that across the board, purchased power is going up. To give you a little bit of background our purchased price per megawatt hour is \$65.35, that’s \$14, almost \$15 higher than this time last year, 29% greater than the prior year price of \$50.45. Now to give you some perspective the FMPA rate for this same time period is \$90.01; so we are in a much better position. We’re in the best position that we can be in despite the change in the power markets. Just for perspective, \$90 versus \$65, that’s a 38% increase versus what our rates are, and it’s going to be that way for the foreseeable future.

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

And to give a little perspective of what we added on is what's driving purchased power, and particularly in our area, the bulk of our power is purchased from FPL, there is some purchased from the spot market from smaller providers, but for the most part its FPL. So just to give you what's driving the change, in January 2021 the price of natural gas, which is MMBTU, and that stands for British thermal unit, it was \$2.71, which its been at historic lows. January 2022 spot price was \$4.38, a 61% increase over the prior year. Since our contract with FPL is based on cost, they're passing it on of course, but it is consistent. Now if you look at performance of other utilities, for example FMPA rate, we're in a pretty good position in that regard.

Mr. Bunch stated yes, I'd just like to make a comment, so regarding the natural gas market, I wouldn't speculate anything about the future, as you know there's a lot of geopolitical forces in play right now. And some are external to our country, some are internal regarding policy, so shutting down permitting for oil rigs, not allowing gas pipelines to be constructed, that has the impact of constraining capacity within the country. In the meantime across the seas in Europe every ounce of liquified natural gas that can be produced is going over that way to help them deal with struggles they have going on. So what we see going on right now locally, yes we've seen an increase, others have seen a much bigger increase but regarding what's going to happen three, six, nine months from now, we truly don't know because all of those things are beyond control. But that said, if the geopolitical struggles are addressed and permitting was to get lax, you see things like additional oil rigs being drilled, natural gas production going up, hopefully we'll see things go down, but I wouldn't pretend to have a crystal ball right now, it's just too many things beyond. Then commented good word Commissioner Kelly, too many variables in play that are beyond our control.

Mr. Chavez stated no, even with natural gas or nat. gas at \$4.38, approximately ten plus years, maybe even longer, natural gas was at over \$10 MMBTU, so relatively speaking its still better than 10 or 15 years ago, but today is what we're feeling the pain at the pump here for lack of a better word. Then continued with his presentation, if you'll go down, fiscal year to date capital expenditures, we're about \$6.9 million, \$3.6 million in major projects and \$3.3 million in annual. So on the major project spend we continue on the Reclaimed Pond Expansion, the Electrical Reliability Improvement Programs, and that's on lines 4, 7, 14, 15, 16 and 25. We continue on those projects to improve our reliability. On the annual projects spend, line trucks, the normal bread and butter, pole replacements, new business electric and water installations. We're continuing on that and we'll provide an update at our next quarterly forecast on the full year.

Mr. Chavez went to the next slide and stated this just gives you a little more, just a pictorial on where we're at with the operating income and loss. Similar drivers, just to go a little further, on the customer growth we're still almost 2% on electric and water, 1.4% on wastewater and then 8.9% on reclaimed. Consistent with our trends, we continue to have slow but steady customer growth. The lower electric consumption, that's 6%, so our electric usage is 6% down from the prior year and that's really driven by the milder weather conditions. Now that's offset by the increase in purchased power but in relatively speaking it is very understandable, not that we would like to be in that position but that's kind of where we're at. Now what this does, part of our overall plan, when we did the rate study we had set

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

the over-recovery reserve of purchased power to be, our target should be around \$5 million. In essence that's a reserve we would like to retain, so when Mr. Beyrle and myself and the rate consultants had projected out, we currently have a \$3.98 credit that we're giving back to our customers. Based on the significant upturn that we've been seeing over the last few months on purchased power we will be looking at changing the current customer credit on the bills for the very fact we need to retain our over-recovery for the long-term stability of the rates and the rate structure, that we have that adequate reserve. So as of today, at the end of January, we're at \$5.2 million, we're already at our target reserve and that is driven by the fact that the power prices have steadily increased. But we will come back to you in the next couple of months and present what our new recommendation will be on that purchased power adjustment.

Mr. Chavez went to the next slide and stated on the change in net assets, a similar story, the difference here is we just add in the capital contributions, which those continue at a reasonable clip. What I do want to note is from the controllable standpoint of the income before capital contributions, we're at \$200,000 but that's a substantial improvement from the prior year at this time, which was a \$2.1 million loss. The capital contributions we don't control per se, because those are contributed property, easements, and cash, but right above that is what we do control. So we're at a \$.2 or approximately \$200,000 income versus a \$2.1 million loss from the prior year.

Mr. Bunch stated from a seasonality standpoint Mr. Chavez, when do you typically see earnings, revenue, consumption and earnings jump versus where we are now?

Mr. Chavez stated we'll see it as we go into these summer months, so you'll start to see a, of course costs will go up, but you'll see the revenue take off as well because we're in that mid-period right now where the weather's kind of fluctuating between heat and cold or none at all.

Mr. Bunch stated thank you.

Mr. Chavez went to the next slide and stated so on the metrics, from a fairly constant to consistent on where we're at, no substantial changes, things are heading in the right direction. The reliability we've increased our focus on it as we have been and making some changes. But otherwise that's it from the General Manager's Report, unless there's any questions.

Mr. Bunch thanked Mr. Chavez.

(4-b) Presentations – UCNSB's Transmission Loop Project and Western Utility Complex Update:

Mr. Bunch then stated I'll ask Julie Couillard to come up and talk about her presentation on the Transmission Loop Project. And again if you have any questions about the Western Complex, she's available to entertain those as well.

Ms. Couillard stated okay, I'm here to give you an update and explain the Transmission Loop Project that we've been talking about. She went to the next slide and stated so our

(4-b) Presentations – UCNSB’s Transmission Loop Project and Western Utility Complex Update (cont.):

Transmission ties are with FPL and Duke and they exist at our Smyrna Substation, and I have a picture right after this that will explain it. From Smyrna out into our community there are two radial lines, one that goes to our Airport Substation and another that goes to Field Street. We also, from all the substations, we have fourteen distribution feeders. So basically not having a loop or a redundant line between the substations is a problem. You don’t have enough capacity to switch everything from one substation if you lose it to all the other substations, it’s just not physically feasible. So best practice is to have a looped or redundant system on your transmission.

Ms. Couillard went to the next slide and stated so this is a picture of part of our service territory on the west side, west of 95, that’s where Smyrna Sub. is located and that’s where we did the big project the last couple of years, we expanded that. The two blue lines that come out from there, one goes from Airport Sub., that serves about 26% of our customers. The other one comes along that right-of-way and into Field Street Sub. which is about 50%; and Smyrna Sub. feeds about 25%. So when you add them all up it’s 100% of our customers being served. What we’re looking to do, and this is just illustrated, but the red dotted line, we’re looking to connect Airport Sub. and Field Street Sub. So that if there was an outage somewhere on one of these segments, we could switch it all over to the other transmission system.

Commissioner Hawes stated Ms. Couillard?

Ms. Couillard stated yes.

Commissioner Hawes stated as far as the beachside goes, are they hooked into Field Street?

Ms. Couillard stated yes, they are.

Commissioner Hawes stated okay.

Ms. Couillard stated Field Street and some out of Airport.

Commissioner Hawes stated okay.

Ms. Couillard went to the next slide and stated, you know industry best practice is to have redundant transmission lines, it increases your reliability, nearly 50% of our customers are supplied from Field Street, which is radial off of Smyrna. Having redundancy in our system would have virtually eliminated outages that occurred from 2014 to now. We had thirteen transmission line outages that impacted 7.1 million customer minutes, so had this been in place, our statistics would have been way better. I think that’s just kind of like, think about that, you know. Customer minutes interrupted – 7.1 million, that’s quite a bit. In addition to just serving our customers, having a redundant line also helps with being able to work in your substation. You can switch portions of your station over to another line, it doesn’t impact reliability for the customers as we’re working on transformers, rebuilding breakers during relay, testing, maintenance, etc. And so when we were working on the Smyrna Sub. last year,

(4-b) Presentations – UCNSB’s Transmission Loop Project and Western Utility Complex Update (cont.):

corrected to last two years, because we don’t have the redundancy and the support on the transmission side, we actually had to rent a mobile substation in order to power the feeders that come out of Smyrna. We didn’t have switching capability. And that was around \$14,000 a week I believe, it’s not insignificant and it’s not an easy thing to do either.

Ms. Couillard went to the next slide and stated as we were looking at this, we found out that this project was actually identified in 2006 and in the 2016 Electric Master Plans, but it was never pushed beyond that. It was in there, but nobody started the planning process for whatever reason. So as we were looking at reliability and we had what was going on at Smyrna and then we had a couple of outages here in the last year, we started thinking maybe we ought to look at this. And so we started discussions in fiscal year ’20 to get one of our consultants to come in and help us with this process. So for all of reliability we focused first on the feeder reliability, the TripSavers, the reclosers, the reconductoring. We put in a transmission switch so that we could sort of have this in the meantime while we’re figuring out where to site this line. So while we’re doing that the next phase is to plan this project, get input, and put it on the books. It is budgeted for, at \$2.5 million but that’s what was in the master plan 2016 so I expect it’s going to be higher. And as we build this line we are going to size it for future capability, we’re going to put in whatever size wire we need, assuming we have to switch everything at once and that’s part of the whole siting and sizing process.

Ms. Couillard continued, so my engineers put together a little demo to share, I hope it works. So this is a demonstration of what happens without this new line, you’ll see a fault with this lightning bolt and the lights will go on or off at the substations; go for it. So if there’s a fault on the section that goes to Field Street, you’ll see the lightning bolt came up and all of Field Street went dead. Next slide, this is the Airport line and so that entire substation goes dead. Then a visual demonstration with the line, this is supposed to be cool. All right, so we have the same fault that affects Field Street but by being able to feed from the north through this new line which is the red dotted line, you keep the customers in service and the substation in service. Next one, same thing if the same fault occurred between Smyrna and Field Street.

Ms. Couillard then went to the next slide and stated just the status, we do have the project in the ten-year budget at about \$2.5 million, we will definitely be estimating that and looking at it. We are working on right now looking at options of where to site this. We’re designing in 2022, 2023, I’m hoping we can move faster but sometimes you don’t know. Construction will be in the 2024 - 2025 time frame, hopefully sooner. Burns and McDonnell who helped us with our protection and control coordination study, helped us get our Milsoft planning model up to speed, they do this on a regular basis, so we hired them to help us with this. I’m here because I want to give you an update that we will be sending kind of a letter of intent to stakeholders, the County, the City. Here’s what we’re looking at, here’s what we want to do, please tell us if you have things planned, if this is going to disrupt something that you have that we don’t know about. We’re going to get all of that information together and then narrow down to two or three feasible locations. And then we’ll decide whether or not, we’ve talked about maybe having an Open House for customers to come and provide feedback, we haven’t signed up for that yet, I just want to see kind of where we’re going to go first. And then I should have an update for you in the May (2022) time frame, so those letters will

(4-b) Presentations – UCNSB’s Transmission Loop Project and Western Utility Complex Update (cont.):

probably go out this week or next week. So if you get calls from the City Commissioners or somebody from Volusia County, we’re putting in a tie at 115 KV. So it’s not a 345 line, it’s not something real fancy, it will be poles.

Commissioner Hawes stated so just from my standpoint, 25% of our risk exists in “A” and another 25% is over here, and half the risk exists here. And that happens to be beachside as well as sort of that southern tier for lack of a better word.

Ms. Couillard stated yes.

Commissioner Hawes continued, so if I hear what you’re saying, just to make sure I’ve got it right, is if we do this linkage that instead of everyone, for catastrophic sake the entire 50% or whatever goes out, this could not eliminate that but at least cut the outages maybe in half or by whatever...

Ms. Couillard stated depending on what type outage it might cut them all. You wouldn’t have an outage because it would just switch the whole substation to another feeder.

Mr. Bunch stated so we had, three of those eight outages occurred since May. Friday evening in May all of the Field Street substation lost power for about two, two and half hours. December or November there was a wind, prolonged wind storm, another, I think it was another Friday evening outage. And then sometime in January there was a shorter outage, during the day in the week. But all three of those, a significant portion of all those outages would have been avoided. It would have just switched to do what Ms. Couillard showed. Ties like this exist for the kinds of substations like we’re talking about. I’ve seen, everywhere I’ve ever worked they have redundant ties to the substations for this kind of load. Thirty, forty, fifty years ago when it was a smaller community, smaller load, you know it wouldn’t have been unusual to be supplied by radial lines but as Ms. Couillard pointed out it’s been identified in the Master Plans at least since 2006. So it’s been on the radar screen and Ms. Couillard and the Engineering team just haven’t had the bandwidth to move this forward while they were doing all the other distribution reliability improvements in the last couple of years. But they’re moving it ahead now.

Commissioner Hawes stated it just seems that it is incredibly important as I kind of think about it.

Ms. Couillard stated yes.

Commissioner Hawes continued, the other thing that kind of struck me as I looked at that is the “A” substation, the Smyrna Substation, not exactly clear how to ask this, Duke, FPL, whoever sends power into that. Because that’s the primary recipient, is that correct, of power?

Ms. Couillard stated correct.

(4-b) Presentations – UCNSB’s Transmission Loop Project and Western Utility Complex Update (cont.):

Commissioner Hawes stated and so is that in pretty good shape I guess because that kind of seems to be the next risk laying out there.

Ms. Couillard stated yes, it is in good shape because it has a ring buss, so you can switch thing around in that substation. If FPL goes down, we go to Duke, and vice versa. We do not have that in the other substations, so that’s something I’m looking at in addition to this to make, whether its circuit switchers or breakers, we need that. But we spent a lot of money at Smyrna.

Mr. Bunch simultaneously stated yes, what work did you complete last year Ms. Couillard?

Ms. Couillard stated last year we finished the ring buss, we put in two new transformers, brand new transformers, we have a pad for a third, we brought out four feeders and we split some of them. Like the one that goes to V-Bay and Coastal Woods was one feeder, we’ve split that in half. And we’re looking at other updates and things that we can do. That site’s nice because it’s big, it’s a big piece of property. Another thing that we’re doing as part of this and as our five-year kind of horizon planning, is I am looking at do I need another substation somewhere. Maybe if it’s just a switching station I can put it with this, so we are looking at that as well, as we start tying feeders together and things.

Commissioner Hawes stated thank you.

Chairman Davenport stated Ms. Couillard, this here and Mr. Bunch, this is very informative, it’s very understanding, and it makes a whole lot of sense. And it just makes me sick that we didn’t do this in either 2012, 2013 or 2014 or 2016. Now here years later and looks what’s happening prices, so let’s keep going with this and don’t drop the ball, finish this thing, finish the end. Because nothing’s worse than that Friday night two and half hours and you’re a Commissioner, trust me they’re going to find you.

Ms. Couillard stated oh, yes, it’s Friday at 4:00 is kind of my experience, in my long tenure.

Chairman Davenport stated my daddy always said junior, growing up, he said Bud, you know it’s going great Friday after 4:00 or on my holidays.

Ms. Couillard stated exactly, always happens.

Chairman Davenport stated thank you, very good.

Commissioner Smith stated I’ve got one question.

Ms. Couillard stated sure.

Commissioner Smith continued, I’m reading this in bold type and all in caps, “NOT ACTUAL ROUTE”. Is the railroad right-of-way considered a potential routing for this?

(4-b) Presentations – UCNSB’s Transmission Loop Project and Western Utility Complex Update (cont.):

Ms. Couillard stated it is, but they don’t like us on their right-of-way, they’re tough to deal with.

Commissioner Smith stated I know that, I was aware of that but I mean.

Ms. Couillard stated but we’re looking at that, Route 1, U.S. 1, because we have feeders there anyway so we can upgrade. We’re trying not to go through people’s back yards if we don’t have to.

Commissioner Smith stated right, I mean that’s the least obtrusive routing of this line, isn’t it, through the railroad right-of-way.

Ms. Couillard stated it is.

Mr. Cloud commented, and probably the most expensive because they’ll hit us with a license fee, which is very expensive.

Ms. Couillard simultaneously stated, and it will take years.

Mr. Cloud added, we already had a lawsuit over that.

Chairman Davenport stated yes, there’s a real interesting past on this, FEC.

Commissioner Smith commented well, the ghost of Ed Ball.

Mr. Cloud stated no, this one is actually the ghost of Henry Flagler.

Commissioner Smith stated it goes back that far.

Mr. Cloud stated yes sir.

Ms. Couillard stated but yes, we are open to all options right now, we’re trying to just narrow them down. But in my mind, you don’t want to go through a subdivision if you don’t have to, you know, try to stay where you’re going to be least intrusive. And then we are also looking at rebuilding the section from the new switch that we put in, out to Field Street.

Commissioner Smith stated okay.

Ms. Couillard continued, so there’s a lot of transmission work coming.

Chairman Davenport then stated and we’re going to pass on the Western Utilities Complex right now, correct?

Mr. Bunch and Ms. Couillard simultaneously stated unless you had questions, yes.

(4-b) Presentations – UCNSB’s Transmission Loop Project and Western Utility Complex Update (cont.):

Chairman Davenport stated I think we got a pretty good clarification the other day at our Joint Meeting unless somebody has any questions. I think more and more is going to come out as we get things rolling a little more.

Ms. Couillard stated don’t hesitate to call me.

Chairman Davenport stated thank you Ms. Couillard, you’re awesome, appreciate your hard work.

Ms. Couillard stated thank you.

(4-c) Discussion – Organizational Staffing and Structure:

Chairman Davenport stated okay Mr. Bunch, 4-c.

Mr. Bunch stated one last item and it’s an informational presentation, I want to try to keep you in the loop of everything we’re doing internally that would be of interest to you. So if you get into the presentation, the first slide in, number two. Once presentation was queued up, Mr. Bunch stated okay, there we go. Just wanted to start with a little bit of background. Historically the number of approved and staffed FTE’s has been, if you go back eight years in 2014 it was 154 full time equivalents, that’s what the FTE’s mean – budgeted people. 2019 it grew to 183, I believe in the 2008-2012 time frame there was a hiring freeze, probably even went down some because of the economy. I wasn’t here but I’m told the recession hit Florida twice as hard and for twice as long as the rest of the country. So while most of the country recovered in that 2011 time frame or so, it continued on several years here. And that was about the time I came on, 2019. Between the 2014 and 2019 it was about 29 FTE’s increase, we’ve held it steady since then. So I think the written text said 188, it was actually 183 (less 5 Commissioners), and we’ve held that steady in the last three years.

Mr. Bunch continued, so since then, and these are only a few examples but not discussed here, we re-purposed a bunch of jobs without adding. So we saw a number of jobs that weren’t really serving the organization well, we helped people find other jobs or moved them in the organization. One person recently opted to leave and take severance. So going back three years in 2019 we took the old legacy H.R. Director role, which was basically H.R. and Communications, and we turned that into Director of Central Services, which until now existed on paper, that was Britney Beck’s position. After she left in December or January, just caused me to step back and say okay, what functions are there and what do we need now and going forward. So I’m going to talk about that a little bit in a minute. We re-positioned some other positions like a Field Inspector position, we moved to Engineering, that person retired, we converted that into an Engineering role and that person is also going to pick up some duties as we implement some of the modernized systems. Because although he recently joined us, he had experience with renewable energy, system planning, electric vehicles, and as we move forward with a lot of things we’ve been talking about he’ll be able to help us in that space; but zero net costs. We had a legacy SCADA tech. position that wasn’t filling the needs, that was the person that opted to retire, take severance rather. We translated that into

(4-c) Discussion – Organizational Staffing and Structure (cont.):

a SCADA Engineer in I.T. and that Engineer joined us about a week ago in I.T. and is working with Brandy Keehn. A couple of years ago we did the same thing with a Facilities Maintenance role that wasn't fitting our need, we offered that person a role back in the Water Field organization and staffed the role with somebody that was more of a handyman type role that we needed.

Mr. Bunch continued, so those are just a few examples and again I don't typically talk about these things, but I think a lot of organizations would have said I need more people. And between the Directors and Mr. Chavez and the budgeting process, they've gotten creative and along with helping me save some money for the organization. In '19 as I mentioned, took the old H.R. role and converted that into the Director of Central Services, we kept H.R. and Communications but then we added Security, Fleet, Facilities and Generation, that either didn't exist before or needed focus. So it's not uncommon for utilities to have a group like that, that oversees things that span the enterprise. Since then they have either, they developed and are near completing a U.C. facility-wide physical security enhancement. Literally three years ago you could walk in the back door, get on the elevator, come up here and customers did it. And it's, while we welcome people when they have appointments, but if you're in the middle of a meeting and somebody not so friendly, not so patient, barges in and wants to meet with you or your staff, it's not a good position. And in the security world we live in, that's not good at all. But, so they, the badges, the badged access, apps. on the phone that allow them to get in, very low cost relative to what it would have cost the U.C. if we just went out and spent a lot of money, but they were prudent with the dollars and for not a lot of money we've got a pretty good level of physical security in place today. They also developed physical fleet design standards for all of our vehicles and put together a five-year purchasing plan. Previously, believe it or not the Directors every couple of months would stand up and say I want to buy a pick up truck and then we'd say what kind of pick up truck you want to buy "Jim", is it four wheel drive, is it two wheel drive? So we got out of that mode and said here is our standard medium duty pick up truck, here's our standard water operations crew truck, overhead bucket truck, etc. and they put together a five-year purchasing plan. And by the way with the Florida State Procurement Agreement they're saving \$800,000 or \$1 million on our five-year vehicle purchasing. So two years in, Security, Fleet and Facilities roles are maturing and functional, they're not end state but they've made a lot of progress.

Mr. Bunch went to the next page and stated last year we added the Director, Strategic Programs role to assure successful planning and implementation of all of our modernization roadmap projects and plans. So with the extent of programs and projects we're implementing it really required internal focus to coordinate the activities of employees, consultants and vendors, so in the Workshop that we had a few weeks ago, Julio Romero (Quanta) talked about this. We're not undertaking an insignificant amount of stuff, we basically went from a blank chalkboard to several years from now fully modernized and we've got a lot of moving parts going on and truthfully if we relied on a vendor to do this it would cost significantly more. The kind of talent for consultants you're talking about doing that kind of stuff is closing in on like \$300 an hour kind of support. And John McMurray is fulfilling that function for us. In the meantime, and you've seen these things, the organization has made significant business and operational improvements. They started out early on with improving the stakeholder relationships and processes that interface with the building community. I

(4-c) Discussion – Organizational Staffing and Structure (cont.):

would say my first six months here I got at least a complaint a week and it was from somebody that had a valid complaint about not necessarily what the organization was doing but how we were interfacing with them and delays they perceived being involved in the process. And between Ms. Couillard and some of the other personnel that either changed or came on, they turned that around in about a three-month period and literally today if I get inquiries it's simply that, it's an inquiry, somebody asking questions and usually they already know about it and they're on it.

Mr. Bunch continued, they also developed the plans to improve our electric reliability and those are being implemented and you've had the updates on that. They've increased focus on I.T. cybersecurity and they, I.T. team, I am proud to say in Florida is probably in a lead position among the muni-peers and because of that they got the American Public Power Association grant for cybersecurity monitoring. Not necessarily because they needed it the most, but they were in a position of being able to actually work with them on implementing that. You've seen the Water Optimization Plans, Sustainability Reports, Engineering has developed, they're not end state but they're well on the way of annual maintenance and aging asset replacement programs. And they've got out of the one it'sy bitsy project at a time to say we want a three-year blanket to line our aging infrastructure of sewer. So you approved that last year, previously someone would have come in and said I want to replace several thousand feet of line or several thousand feet of sewer in this area or that area. Now they're lining it up so over the next three years they'll finish lining all those vitrified clay pipe areas from once and all and they can focus their efforts on maintaining a reliable system, which at that point will be largely PVC everywhere else. And the other one is the old asbestos concrete pipe, they've got a plan in place to get all that off the system over the next couple of years as well.

Mr. Bunch continued, on the financial side, a little over a year and half ago we executed the bond issuance. We refunded all the legacy financing and secured \$65 million additional financing to fund all the major capital improvement plans and the modernization projects that were known as of that time. Then last year with the bond funding in place and a modernization plan we conducted a rate study so that we wouldn't have to come back to the well in another year. It was based on the known budget and financial requirements of several years. And one thing I do want to say is the bond funding, while we saved a million and that doesn't sound like a tremendous lot, but we saved a million on refunding the refinancing, the legacy \$15 million, getting a 2.76% 30-year rate for bonds will save millions over the foreseeable, that 30-year future. Right now today if you go out to market, you're probably going to be 3.75% to 4% for 30-year bonds with our kind of rating; that's millions when you do the compounding on the interest. Then lastly, significant portions...

Chairman Davenport stated excuse me Mr. Bunch, if I could please.

Mr. Bunch stated yes sir.

Chairman Davenport stated Mr. Chavez you're exactly right, you and Mr. Bunch, I saw you pat yourself on the back and you should because timing, you guys, was beautiful, perfect, it couldn't have been better because now for this community, you're exactly right. I would like to know, calculate that difference, just curious, how many of millions it did save. Thank you.

(4-c) Discussion – Organizational Staffing and Structure (cont.):

Keep patting yourself on the back, you deserve it, both of you.

Mr. Bunch commented yes, a point and a quarter on \$65 million over 30 years is a lot of money. And then lastly, the significant portion of the Modernization Roadmap is underway. So we've done those things, circling back to where I started with basically not adding anybody over the approved budget from 2019. Moving forward, everything we have planned with the Modernization Roadmap, we'll deliver many capabilities that will enable us to improve customer experience and business operational efficiency. And I'll circle back to that statement as well, what our customers experience, the service program improvements require leveraging, however, so you've got to architect how you're going to do all this. And those improvements won't occur without a lot of planning, it is about the customer. At the end of the day when we talk about these systems and the transmission and outage management systems, it's not for our benefit, because we enjoy doing that, although we enjoy it, it's about improving what the customers sees outside of our four walls and how they experience service from our company.

Mr. Bunch continued to the next slide and stated so what I'm going to do in light of Britney Beck's departure, for the Director of Customer Services role, about two months ago I temporarily placed that organization under Mr. Chavez while we were recruiting. And then about three to four weeks into that I started getting resumes and we reviewed them and there were people that could do this part of the job or that part of the job. For instance this morning I got somebody who was equivalent of a Facilities Manager, didn't have the bandwidth to perform at the Director level. We got people who had H.R. and maybe a little bit of I.T. experience but then again didn't necessarily have the bandwidth to do the things that I just talked about. So I'm going to repurpose that role into a Director of Customer Operations and Programs. So everything that we're doing that I mention going forward is going to require somebody who has the vision to leverage these new systems and data, to translate that into an improved customer experience. Our organization in contrast, other than the changes I mentioned, largely has existed like this for a long, long time.

Mr. Bunch then went to slide five and stated it's been in place for many years largely. I currently have nine direct reports, eight Directors and a Manager of Executive Services which is Mrs. Simmons. That's a lot, typically an organization like this you'll see as few as four and maybe six to seven. So while we have a consultant doing the compensation study, I'm asking them to work with me at looking at optimal alignment of the remaining Director positions while we move to fill the Director of Customer Operations and Programs role. This is a normal periodic thing you do in the utility industry. During my career I've seen three or four iterations of this, the business environment changes, the market changes, and you just look at how to better your functions to meet those needs. So over the next couple of months I'll be doing that while we're filling the other Director role and I'll give you an update at some point and time to let you know where we land. But I wanted to bring into that discussion, let you know things I'm looking at, things we're doing and also if there's any questions you may have to give you a chance to ask those now as well.

Commissioner Smith stated I have one question.

(4-c) Discussion – Organizational Staffing and Structure (cont.):

Mr. Bunch stated yes sir.

Commissioner Smith stated we do a lot of contractual relationships with consultants. And being a consultant myself I'm not talking bad about consultants, but how do you make a decision or what is the process. If you have an issue to address, how do you decide well maybe we should hire somebody to do that job as opposed to contracting. Is that, I know it's hard to explain, but how does that process usually work, or you decide to seek outside help or use something else.

Mr. Bunch stated that's a good question, so we have, you've got in-house FTE's that can support some level of work. The things that I just mentioned, like all the modernization activities, those are well beyond the bandwidth of our internal folks. So in the last three years we've largely had to rely on consultants to do that. It's specialized work and in the case of electric engineering specifically at one point we got down to one Engineer who was barely keeping up with the new electric inquiries and no way shape or form could have done any of the reliability planning or things like that. So largely a lot of the improvement things we're talking about have been consulted out because of bandwidth, and that's pretty usual. Now with, I mentioned we just recently hired an Engineer when we repurposed another position, going forward we'll probably be able to do the electric capacity and reliability planning in-house, because he did that professionally for a nationally recognized firm. Does that answer your question Commissioner?

Commissioner Smith stated sure it does.

Mr. Bunch stated okay.

Chairman Davenport then stated is that all Mr. Bunch?

Mr. Bunch stated yes sir.

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

Chairman Davenport stated okay, item number five on the agenda, Commission Counsel's Report.

Mr. Cloud stated I have nothing to report.

Chairman Davenport stated okay, thank you.

(6) Old Business:

Chairman Davenport stated so we'll move on to the next item on the agenda. Any old business?

There were no old business items to consider.

(7) New Business:

Chairman Davenport then stated any new business?

There were no new business items to consider.

(8) Possible Other Business – Time for Commissioners:

Chairman Davenport stated okay, let's start with Time for Commissioners. Commissioner Kelly?

Commissioner Kelly stated I really don't have anything. I thought that meeting at City Hall was great, educational and I think it was probably as good for them as it was for us because I'm learning a lot also, so I could tell by their demeanor that they picked up a lot on it. Also, I think it was great for them, they're you know the people representing it so I thought that was very good. And you know to your question, or statement on the consultants and things like that, is it because the skill sets have changed so much that we don't have people internally to do those jobs and its become so technical that you have to use consultants so much. I mean we do it in our industry also, so I mean it's a question it just doesn't...

Mr. Bunch stated in some cases yes and others no, so when we were down to as I mentioned the one electrical engineer, we could barely keep up with the electric service requests. Prior to that we had an engineer who unfortunately died relatively young, was managing the Smyrna Substation project upgrades, was doing other projects, but even at that time they didn't have the bandwidth to manage the improvement thing. Some other things are more specialized, like the modernization planning, we just decided from the time we started with that, because the technology is very, very expensive. You want to make sure that it's scaled correctly for an organization of your size, like us, and we don't make mistakes that some others in the industry have made with either that technology or bad vendor choices. So it's been a mix but most of the major improvement functions were decided deliberately to go with the consultant support because of the specialized knowledge. The Water Plant improvement decision, actually the recommendation to pilot pellet water softening was brought by the optimization consultant who does work all over the nation for water plants. Those are more specialized things and we just decided early on that we needed to push them in the direction of a consultant.

Chairman Davenport stated Commissioner Conrad?

Commissioner Conrad stated I want to speak to your last report Mr. Bunch. That was very, very helpful to have an outline of what's happened in the last two and half years and I want to commend you and staff for having the foresight to do everything in a thoughtful, precise kind of manner and take time to review it again. So I really appreciate what you've done in that regard and you have an excellent team. I want to point also that Ms. Couillard has made several presentations to everybody and always does an excellent job. And of course everybody else that's in that Director level, including Mr. Chavez, has. I've really seen a change in the last two and half to three years, I really appreciate that update and would like to mention that. Staff is really growing and finding new roles for them also keeps it very fresh for us.

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

Mr. Bunch stated thank you and I'm very proud of the entire Director team, they do great work.

Chairman Davenport stated nice comments Commissioner. Commissioner Smith?

Commissioner Smith stated I second that, that meeting was excellent. Unfortunately I think we covered so much ground that I got lost somewhere in the process.

Chairman Davenport commented you wanted your water.

Commissioner Smith concurred and added, but I would think you know there was two things. One being since there's so many issues that are tied between the two Commissions that I would may..., just give it a thought, that maybe we should do this twice a year. And secondly, what did we do to solve or address issues raised in the first one. The second thing there was some two issues that stick in my mind, one was about this facility. I would like, if the rest of the Commissioners agree, to have a discussion of that at sometime in the near future about our thoughts on that subject. I've talked with several people and they're kind of split down the middle on that particular issue. The other thing is Commissioner Hartman talked about affordable housing and wondered what the Utilities Commission could do to help support affordable housing. And if the Commission would agree I would like that to be a future discussion item in a meeting as what programs could we implement to make, you know to support what he was talking about, you know the Affordable Housing Initiative. So that's basically it, and I appreciate all the information I was given today.

Chairman Davenport stated good comments Commissioner, thank you. Commissioner Hawes?

Commissioner Hawes stated yes, I think just to echo the meeting from last Thursday, most of the Commissioners, in fact probably all Commissioners have relationships with City staff, as well as the Commissioners themselves. And that was the first time I had attended that meeting and one of the things that really struck me as I went in was how the group from the Utilities Commission was together, kind of went through things, and the most in particular and I'm not saying that very well, but I guess what I'm really trying to get at is for Mr. McMurray, Mr. Heil, Ms. Couillard, for you guys to be able to stand up there and really carry the flag for the Utilities Commission. We're not only in the electric and water business, we're in the confidence business, and so I think it really helps for someone to come and stand and communicate those things so that they see what's going on and why and how well that happens. And Mr. Bunch I think it's a compliment to you to have them able to do that.

Mr. Bunch stated thank you. They all did an excellent job and want to also credit the Mayor because he asked us to present on some, several of those specifically and so he advocates for us in the community, as do the other Commissioners. So I think that information exchange that you all mentioned benefits us as well because they routinely advocate for us in the community. In fact Commissioner Kolody mentioned the Beacon Avenue Project and that one was having troubles with the contractor that was on site, he was out there and just after speaking with us was able to communicate some things that were going to change and while

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

we would have gone out and had the same conversations, him being there made it that much easier for us.

Chairman Davenport stated well, I'd like to say it was just an honor to be there and be the Chair and just be so proud of this board here, this Commission, and all the team members that are on it. They give their heart and souls to give back to the community. And we all have complimented a lot of people, there's one person that I'd like to make observation of is Debbie Simmons. She sits over there, she needs a big round of applause, she's the keel of this ship and we all know it. So I like the joint meeting, I really liked it, I agree with Commissioner Smith, I don't think it would hurt two hours two times a year, four hours. There's so much information that comes back and forth and the communication and the transparency is just so important, especially the way this community is growing. And let's see one other thing in here, I agree with what you said, I would like for us to look into as a Commission if there's something possible, obviously considering our taxpayers (ratepayers), what we could do for affordable housing. We have a lot of young people around here that are servers, and you've got three or four of them living in a house and its all they can do. So it would be really nice to be able to have some affordable housing that they could, in the work, they could afford it. So I'd like for us to be able to research that if possible, Mr. Bunch. And on another note, one last thing I'm just curious, could you comment on the letter that I got and forwarded on, why is there such a difference in that or is the time. I mean know that you responded to Dr. Brooks (sic Booker), it was the wastewater that he was concerned about.

Mr. Bunch stated yes, so Ms. Couillard had her staff look into it.

Chairman Davenport stated I'm just curious, I couldn't answer that, and I was lost for words, but I thought it was a good question. And basically what I go Commissioners, we got a letter and it basically said I don't understand why my irrigation fee, meter fee is this much when I already paid for this meter fee over here. Is that basically what it was?

Ms. Couillard stated correct. So a couple things about that, most of the time we hook people up to the reclaimed water, as much as possibly can. But where he's located reclaimed is over a half a mile away, so the option that we have as part of our rates and our policies is you can put in an irrigation meter (potable), then you don't pay for the wastewater piece, but it's a separate meter and a separate fee and you have to get it to the meter. So that's kind of, I know it seems high but the reason we do that is because around our CUP permit. You don't want them irrigating behind their regular meter if they're going to sprinkle a lot because then they end up paying both the water, the potable water and the wastewater fees, so it actually would be higher for him.

Mr. Bunch stated so is the \$5,000 all the utilities cost or is it potentially additional costs quoted by his contractors embedded in that?

Chairman Davenport interjected to run it a half mile.

Ms. Couillard stated yes, then corrected to no, not running it a half mile. We can't get the reclaimed to him, so we offer a potable water meter, but we offer it at an irrigation rate, so

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

they don't pay the wastewater fees. And it is expensive because we're trying to get people to think about the impact of using water, potable water on sprinkling and our CUP permit. So I'll write it up but I was going to give him a call tomorrow and talk to him about it.

Chairman Davenport stated okay, I was just was curious myself.

Ms. Couillard stated yes, I mean if we had reclaimed it would be no problem but unfortunately where he's located there isn't any.

Chairman Davenport stated well I appreciate the immediate response Mr. Bunch and everybody.

Commissioner Smith stated Mr. Chairman, you know I can add some light to that irrigation meter issue because when I built my house in 2002, I put in an irrigation meter and I came to the realization that this was not a good idea. And so what I did was disconnected more or less or shut down the irrigation meter and run it off of my one meter, but I took all of my irrigation system and redid it as drip irrigation. And drip irrigation, just little aerators, and that rolls out, that has cut my water bill down tremendously. But I don't think the separate irrigation meter always works that well and it does encourage non-water conservation.

Ms. Couillard stated yes.

Commissioner Smith continued, and I think when you start taking potable drinking water and throwing it on your sod that's not a real smart idea but that's been my experience.

Ms. Couillard stated but we would need somebody, if they're going to do that, they would need to manage it like you're managing it. Most people just turn on the water and sprinkle.

Chairman Davenport stated so let me ask you this question Ms. Couillard, I've got one of these meters too, that I paid for years ago, potable water, could ya'll buy it back from me? I'll pull that thing off of there.

Ms. Couillard commented we would need a resolution for that, I think.

Chairman Davenport stated you might want to look into that for me, would you. Anything else from anybody? All right thank you, meeting adjourned.

There being no further business to come before the Commission, the Regular U.C. Meeting closed at 4:17 p.m.

{NOTE – Effective at the U.C.'s 3-22-21 Regular U.C. Meeting, commencing with the minutes for Two Final Public Hearings and Regular U.C. Meeting Held 2-22-21, the Commission will start approving annotated minutes within the agenda package.}

These detailed, near verbatim minutes will still be prepared for reference, electronic searches, and will additionally be posted on the U.C.'s website – ucnsb.org.}