

AGENDA ITEM 3-a

MINUTES OF A REGULAR MEETING OF THE UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA, HELD MONDAY, APRIL 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 (WITH MASKS AND SOCIAL DISTANCING) AND WITH LIMITED ON-SITE PUBLIC PARTICIPATION – VIA APPOINTMENTS)

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

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

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

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; M. Schings, Interim Director of Electric Ops.; J. DeFries, Safety & Risk Manager; Laquavius Green; Help Desk Technician; M. Spellars, Sr. Help Desk Technician; D. Simmons, Exec. Services Mgr./ Recording Secretary; General Counsel Thomas Cloud Esquire – Gray|Robinson Attorneys at Law; NSB City Commissioner Michael Kolody; Nick Powell (GEOSAM), Bill Biedenbach and Lorraine Sharp, members of the public (on-site via appointments).

Safety Message: Intro. of Safety & Risk Manager and Safety Topic – “Rubber Glove Inspection”:

Chairman Holcomb stated John DeFries is doing the safety message.

Ms. Beck, Director of Central Services, addressed the Commission and stated so I wanted to introduce to you guys our new Safety Manager, John DeFries, he’ll be giving the safety message today. John comes to us from Paragould Light Water and Cable in Arkansas and he started with us in February. We’re very excited to have him on board and he has a lot of safety experience under his belt.

Mr. DeFries addressed the Commission and stated not only am I a safety guy I used to be a lineman for 17 years. I’ve been working as a safety guy for 15 years and come to find out being a lineman/safety guy is kind of a rare thing; anyway that’s how I ended up here. And our safety message today is on gloves, I’m going to be throwing some things at you, what linemen are going through, so you guys can kind of understand what they’re doing. And this is the rubber gloves, they work with high voltage, we wear class 3 gloves, the highest gloves we wear. And I have a little video to show you guys. After a moment he commented I thought I did. After confirming the video was not available, Mr. DeFries stated well then, I’ll

Safety Message: Intro. of Safety & Risk Manager and Safety Topic – “Rubber Glove Inspection” (cont.):

just tell you about the gloves. I thought I emailed it, maybe I forgot. Okay, anyway the gloves are class 3, that's the thickness of the gloves and it allows them to work with voltage that we come in contact, that we currently work. The highest voltage we work by hand is 24,000 volts. Out on what they call beachside, has 13,000 volts, 76-20, 13,000 volts. Those gloves are what keeps them alive. They check them constantly, they have to check them before each use, they have to check them every six months, we have to send them in and get them tested by a lab and insure they are what they are. We can set them on a shelf for 12 months and we can issue them on that last day of 12 months and they can only go up to 18 months before they can't use them anymore. So we have to be very vigilant on those gloves and we have to constantly be replacing them, it's something that's ongoing because rubber is something that wears out, everybody knows that right. So that's kind of gloves in a nutshell, if there's any questions or anything I can answer please feel free to ask.

Chairman Holcomb stated I'm good.

Mr. DeFries commented short and sweet.

Commissioner Hawes stated I've got a question for you.

Mr. DeFries stated sure.

Commissioner Hawes stated so these go up to their elbow or where do these gloves go?

Mr. DeFries stated yes, these gloves will come up to their elbows.

Commissioner Hawes stated okay.

Mr. DeFries added and there's different variations of that, there's the angled cut, comes in a straight cut; kind of what linemen like.

Commissioner Hawes stated and if they're using a wrench, how are they are using them, I guess, what is it?

Mr. DeFries stated well the gloves has what is called a protector over the top, which is a leather glove. And then of course they'll use any type of wrench. And you have to really be dexterous to use these, it's really a skill, so you don't get the dropsies, it's a linemen's term. You don't drop stuff and hit the guy on the ground, you get in trouble. He then asked if there was anything else.

Mr. Bunch stated and if you would, of course, the voltage that they're using them on Mr. DeFries, just to kind of give us a magnitude of up there versus in the house.

Mr. DeFries stated our max voltage is 24,000 volts and that transformer steps that down to 122/40 like you see in your house.

Mr. Bunch stated they, from time to time, actually put hands on that voltage with the gloves.

Safety Message: Intro. of Safety & Risk Manager and Safety Topic – “Rubber Glove Inspection” (cont.):

Mr. DeFries stated yes, almost everything they do they work in gloves right now. They don't do a lot of grounding things out because they're trying to keep people on, keep customers on; they try to work around that as much as they can. That's kind of the standard of the industry.

Commissioner Davenport then asked where about in Arkansas are you from?

Mr. DeFries stated northeast corner, Paragould.

Commissioner Davenport stated I've known it.

Mr. DeFries stated are you familiar?

Commissioner Davenport stated yes, I graduated from the University of Arkansas, that's why I was wondering.

Mr. DeFries stated you did, well we can call the “Hogs” together some time. He said when I first came here, they asked me if I was going to be a Hogs fan or a Florida fan. I said I'm rooting for the Hogs, unless and if Florida is playing for somebody besides the Hogs, I'd root for them.

Commissioner Davenport stated thank you for coming.

Mr. DeFries stated thank you.

Chairman Holcomb stated welcome aboard.

Mr. DeFries confirmed there were no further questions.

(1) Agenda Changes, Additions and Deletions:

Did not discuss at this time. Mr. Bunch did state later in the meeting, under item 4. General Manager's Report that there were no agenda changes.

(2) Public Participation:

Chairman Holcomb stated at this time we'd like to open the floor for public participation. If anybody has anything they'd like to add or share, please feel free to come to the podium and state your address and your concern. Then stated at this time it doesn't look like there's anybody out there, so we'll close the public participation part and move on to the approval of the consent items.

(3) Approval of Consent Items:

Chairman Holcomb then stated do any of the Commissioners have any questions, want to pull any of the consent items?

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

Commissioner Hawes stated I have a question. I guess. It's on the infrastructure items for Old Mission, Copper Creek, and Donatti.

Chairman Holcomb stated you've got to pull it and then add the conversation. It's all right, no problem, I learned that too. So which one is it?

Commissioner Hawes stated it's actually on all three of them, I just had a question.

Chairman Holcomb stated okay, the one where you start and then you get an upgrade, so let's pull all three of them; what's the letters there?

Mr. Bunch interjected d., e. and f.

Chairman Holcomb restated d., e. and f.; okay. Anybody else would like any other items pulled?

Commissioner Davenport stated I had a call the other day on h., I'd like to pull h. but...

Chairman Holcomb stated that's fine. Then asked Commissioner Conrad if she had anything.

Commissioner Conrad indicated no, thank you.

Chairman Holcomb stated all right we need a motion to approve the others, a., b., c., g., i., j., k., l., m. n. and o.

Commissioner Hawes stated so moved; specifically a motion to approve the remaining consent items - item 3-a. Minutes of Regular U.C. Meeting Held 3-22-21 (*Annotated Version – held on-site w/limited public via appts.*), approve as submitted; item 3-b. Approval of Award – RSQ No. 05-21 – Continuing Professional Service Agreement – Pond & Company, approve this selection for the Exterior Design Services category under this RSQ and authorize the General Manager/CEO (GM/CEO) or his designee to execute the attached Continuing Service Agreement with this firm; item 3-c. Smith St. Decommissioning Post Remediation Testing – Natural Attenuation Monitoring Requirement, approve additional funding in the amount of not-to-exceed \$24,800, over the next two calendar years for quarterly monitoring of the Decommissioned Smith St. Generation site by G&S Good Environmental Inc.; item 3-g. Barracuda Bridge Project Infrastructure Cost Share Agreement – UCNSB and City of NSB Asphalt Restoration, approve the cost share agreement between the City of New Smyrna Beach and UCNSB and authorize the GM/CEO or his designee to execute all documents associated with this matter; item 3-i. Ratification – ITB No. 08-21 – Glencoe Farms Rd. Water Main Improvements and Spruce St. Water Main Replacement Project, ratifying the awarded contract for this ITB for this project to ThadCon, LLC in the amount of \$252,815.00. Previous overall project authorization, referenced in the agenda item, for the GM/CEO to execute all associated project documentation is ongoing; item 3-j. UCNSB Arc Flash Hazard Study – FMPA and Burns & McDonnell, approve the contracting with Florida Municipal Power Agenda (FMPA) to hire Burns & McDonnell Engineering Company, Inc., under FMPA's Master Services Agreement in the amount of \$94,500.00 for an Electric Distribution and Substation Arc Flash Hazard Study and authorize the GM/CEO or his designee to execute

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

all documents associated with this matter; item 3-k. Airport Substation – Transformer No. 1 Radiator Replacement and Testing – Corrective Maintenance, to approve this project in the total amount of \$280,000.00 and issuance of a P.O. to Duke Energy in the amount of \$238,702.00 and authorize the GM/CEO or his designee to execute all documents associated with this matter; item 3-l. Ratify Subcontract to Pike Electric, LLC for Sugar Mill Electric Upgrade Project, ratify subcontract to Pike in the amount of \$283,532.00 to complete the remainder of cabling and equipment work within the Sugar Mill Electric Upgrade Project. Previous overall project authorization, referenced in agenda item, for the GM/CEO to execute all associated project documentation is ongoing; item 3-m. Phase 1 of Telecom Network Consulting Services (FMPA / Burns & McDonnell) – Project Approval and Ratification, approve the overall Telecom Network Consulting Services in the total amount of \$94,500.00 and ratification of the attached Phase 1 portion, in the amount of \$74,500.00 and authorization for the GM-CEO or his designee to execute any additional documentation for this project; item 3-n. Interest on Customer Deposits, approve the interest rate of 0.005% which would become effective with the first billing cycle in May, 2021; and item 3-o. Supplemental Funding – Tyndale Company / Managed Uniform Program – 1st Year, approve supplemental funding in the amount of \$76,000 on P.O. No. 00017237 for Tyndale Co., Inc., resulting in a total cost of \$150,000 for year one of the new managed uniform program.

Commissioner Davenport stated second.

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

(3-d) Developer's Agreement – Copper Creek Subdivision – Copper Creek, LLC
AND

(3-e) Developer's Agreement – Old Mission Cove, Phase 1 and 2 – Old Mission Cove, LLC
AND

(3-f) Developer's Agreement – Donatti Boat Storage – Donatti Industries, LLC

Chairman Holcomb stated okay, we'll go over d. and kind of leading into e. and f., so the floor's yours.

Commissioner Hawes stated yes, and actually it just pertains to all of them. I was looking through those and I was looking at the infrastructure fees which were zero and the capacity and inspection fees are there. Is that because of the new rule that we passed; that was kind of what I was wondering.

Mr. Bunch stated Julie Couillard, do you want to take that question for us, thanks.

Ms. Couillard stated yes sir. So we are getting a new form created, in the interim we have taken the existing form and zeroed out all the infrastructure fees. So effective December, we no longer charge nor calculate infrastructure fees.

Commissioner Hawes stated okay, very good, thank you.

- (3-d) Developer's Agreement – Copper Creek Subdivision – Copper Creek, LLC
AND
- (3-e) Developer's Agreement – Old Mission Cove, Phase 1 and 2 – Old Mission Cove, LLC
AND
- (3-f) Developer's Agreement – Donatti Boat Storage – Donatti Industries, LLC -- (cont.):

Mr. Bunch stated and just a reminder and I think you headed towards it, but we used to have two fees, infrastructure and capacity. We now have one fee, the capital connection fee and hence the reason for the infrastructure being shown as zero.

Ms. Couillard added, and those are effective June 1st (capital connection fees). So we'll have that on the new form too.

Commissioner Hawes reiterated thank you.

Chairman Holcomb stated we need a motion, or anything else, no. I need a motion to approve consent items d., e., and f.

Commissioner Hawes state so moved; specifically a motion to approve consent item 3-d. Developer's Agreement for Copper Creek Subdivision by Copper Creek, LLC, item 3-e. Developer's Agreement for Old Mission Cove, Phase 1 and Phase 2 by Old Mission Cove, LLC, and item 3-f. Developer's Agreement for Donatti Boat Storage by Donatti Industries, LLC – to approve all three developer agreements as submitted and authorize the General Manager/CEO or his designee to execute any documents associated with these matters.

Commissioner Davenport seconded this motion.

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

(3-h) 5th Street Bridge Replacement Project:

Chairman Holcomb stated okay, Commissioner Davenport.

Commissioner Davenport stated yes sir, regarding h. I thought I had an email sent to me from someone at the Yacht Club, the General Manager, but I didn't get it, so I'm okay with it. I'll just have to wait until next time, he had asked some questions and I didn't have answers, but I told him to send me an email.

Chairman Holcomb stated on the actual bridge?

Commissioner Davenport stated yes, part of our part, what we were doing, the Utilities Commission regarding the bridge and I couldn't answer. I said send me an email and put specifically in writing and I don't see my email anywhere.

Chairman Holcomb state so the question was what are we doing, what's our participation, we don't build bridges but we carry the lines across them. So Ms. Couillard could probably...

Ms. Couillard stated yes.

(3-h) 5th Street Bridge Replacement Project (cont.):

Commissioner Davenport stated I can't answer his questions because I don't know his questions, that's what I said, that's what I was waiting on.

Chairman Holcomb stated well, at least she can give you a little bit of help what our actual participation is.

Ms. Couillard stated if you want, if he sends it to you or if he wants to call me, I'm happy to talk to him.

Commissioner Davenport stated perfect, that's all I need to know.

Ms. Couillard added, or the three of us can talk.

Commissioner Davenport stated thank you.

Ms. Couillard then stated so we're doing an electric, water and wastewater relocation.

Commissioner Davenport stated okay, he was asking and I said I don't know, I'll find out, send me an email, put it in writing.

Mr. Bunch stated so for the benefit of the group could you just describe the work in general and then what this agenda item is for.

Ms. Couillard stated sure. The 5th Street Bridge is being rebuilt with FDOT and the City and we're a partner in that. We have to get off the bridge so all of our facilities that go to the Yacht Club Island over there, we are directionally drilling underneath the water, because we can't be on the new bridge. So we'll be installing electric, water, wastewater, underground dip. And with the agreement here, the City's doing work, we're doing work, and no sense paying to asphalt something twice so we're doing cost sharing with that. We're also going to be doing cost sharing with Charter Electric (Charter Communications Holdings, LLC). They need to bore as well so we're adding them in, and we'll be doing a cost share there as well. So we're going to do the work, they're going to pay us for their portion of the work.

Commissioner Davenport stated very helpful.

Ms. Couillard stated Barracuda Bridge is similar.

Commissioner Davenport then asked how long will this project take; how long do we estimate it will take?

Ms. Couillard stated our stuff, not very long, the bridge part a long time because they have to build a temporary bridge, tear down the old bridge, build a new bridge, take the temporary bridge down. So, a couple of years for that.

Chairman Holcomb stated the one thing I actually like that I'm hearing is the common theme in some of our meetings, it's not on everything but it comes up more frequently, is the sharing of costs with our partners, City, Charter, whoever it might be. And I think that, you know,

(3-h) 5th Street Bridge Replacement Project (cont.):

just from a commonsense approach and fiscal responsible approach, that makes sense to me. So I'm glad to keep hearing that, we're finding ways, because again like I always believe the ratepayer and the taxpayer are about the same person 90% of the time; so that's encouraging.

Ms. Couillard stated exactly. And added we're doing the same thing with Barracuda Bridge over here and we are going to be doing some more drilling in a couple of years.

Commissioner Smith stated are you planning to do the subaqueous directional bore on Barracuda also, that was one question on that?

Ms. Couillard stated that I think, yes, we are. Then added I don't like things laying on the bottom of the channel.

Chairman Holcomb stated any other questions pertaining to item h.? There being none, he stated then I need a motion to approve item h.

Commissioner Davenport stated I'll make a motion to approve; specifically a motion to approve the 5th Street Project Cost Sharing Agreement (Specified Proportionate Construction Costs) between Charter Communications Holdings, LLC (25%) and UCNSB (75%), and authorize the General Manager/CEO or his designee to execute all documents associated with this matter.

Commissioner Hawes stated I'll second.

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

(4) General Manager's Report:

Chairman Holcomb stated all right, Mr. Bunch.

Mr. Bunch stated no changes on the agenda. Before we get into the General Manager's Report, I just want to recognize City Commissioner Kolody, Mike Kolody is here today – thanks for attending. Commented, we would typically recognize you, but we got right out of the gate fast, adding thanks for being here. With that I'm going to ask Efren Chavez to come up and cover the financial status and then I'll go over the metrics report for this month.

(4-a) Financial Status – March 2021:

Mr. Chavez came to the podium and stated good afternoon everybody and then commenced his presentation entitled "March 2021 Financial and Operating Performance". Right now, March fiscal year to date we're at a \$1.3 million loss change in net assets. As we start to go into the summer we will start to pick up and not have one. But the largest impact on that right now is the lower capital contributions which Ms. Couillard and Mr. Ho are working on, but that's really more timing. That is one of the larger drivers. On the capital side, \$6.4 million, March 2021 fiscal year to date, \$3.7 million in major and \$2.7 million in annual projects. So the major projects would be Smyrna Sub., Sugar Mill, 5th Street and other Bridge Relocations. And then on the annual side really just more on the customer growth, meters, pole inspection

(4-a) Financial Status – March 2021 (cont.):

and replacement. What we are noticing and we've seen this and it's stayed pretty steady, we are having issues with materials but our Purchasing folks are working with our vendors and trying to source things as much as possible, but prices as you've seen it at Home Depot and others, prices are going up. So that's the other thing we're taking into consideration but that's really across the U.S. and just a lot of sourcing is an issue. But be that as it may, we're working through it and we'll go from there.

Mr. Chavez went to the next slide and stated looking at it from an operating income loss, last year \$1.4 million operating loss. This year just about \$2 million. The operating expense increase is one of the larger drivers and that's really our acceleration on the veg. management, we're ahead of schedule on that and we'll adjust our tree trimming and vegetation management appropriately in the FY2022 budget. But it's definitely, Ms. Couillard can attest, and as you can see in some of the numbers, we definitely see an improvement on the reliability side of it as we're clearing more of our lines.

Chairman Holcomb stated you gain expense cleaning the lines but the outages and the operational fix it part of it, it starts to go away a little bit. So again, when do we see the end of this?

Mr. Chavez stated we'll see, for next year's budget we'll have the number of miles and I believe we're ahead of schedule in the three-year plan so it will be much more in the normal range.

Chairman Holcomb stated definitely motivated to get it cleared quicker because recognizing the reduction of expense quicker.

Mr. Chavez stated yes. Then continued, net purchased power we're still ahead there, that's a continued favorability that we see on the purchased power. Depreciation, amortization and on the revenue change we didn't have as much commercial and all of this is versus the prior year, but still overall. Then discussed the customer count at the top of the slide, in the upper right-hand corner, we're still seeing almost 2% electric, water, wastewater and on the reclaimed side 11.4%. So our customer growth every month, for about the last year and a half, if not almost two years, every month has been a year over year increase. The metrics are good in the sense of the growth as you can see living here the developments keep popping up and that doesn't seem to be slowing down any time soon.

Chairman Holcomb stated that falls in place with our capital improvements, what we think we need to bring online. We don't see anything that startles us, need to accelerate anything?

Mr. Chavez stated no surprises yet. He then went to the next slide and stated this slide is just the addition of the contributed capital and such but otherwise the drivers are the same.

Mr. Bunch stated I want to make a point on this Mr. Chavez. Last month Engineering put together a chart, it's embedded somewhere in the packet, next month we'll highlight it. But in prior months we talked about a timing issue with contributed capital, we actually had almost no contributed capital during a twelve-month period. So it makes the income sheet look a little weak but between now and the end of the fiscal year Engineering estimates we're going

(4-a) Financial Status – March 2021 (cont.):

to pick up about \$5 to \$6 million in contributed capital from a lot of the developments you see going on, out in Coastal Woods and some of the remnants of Venetian Bay; that makes that look light at this point in time. So next month I'll ask Mr. Chavez to project that into what we think will be happening between now and the end of the year. But we think you'll see a pretty big jump if they finish those developments. And it's not finishing development, it's finishing the construction of the water and irrigation construction that they then turn over to us, and sewer infrastructure. That then shows up as contributed capital on our income statement. So we'll see a bump later in the fiscal year.

Mr. Chavez added and that's the section, I mean at that time when that's contributed, that's when then the new homes will start to be built after that. So that initial infrastructure gets put in, then homes get built, the home builders then start their part. He then asked Mr. Bunch if he wanted to cover the next part.

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

Mr. Bunch stated yes, I wanted to cover the metrics this month, normally Mr. Chavez covers them but there's some nuances in there I wanted to highlight. Requested to go to the slides, stating he will speak to the slides and then refer sort of anecdotally back to the numbers which are difficult to read anyway. So slide number 7, which is the March KPI slide. And then stated safety, no OSHA injuries during the month. We had another or two preventable motor accidents. We've had four minor ones this year, they all involve backing incidents, slow speed, minor incidents – no injuries. What we're asking John DeFries to do is sort of make a run on reminding folks about safe driving practices, backing practices, use of spotters, cones and things like that. So while we've had minor equipment damage on those four backing incidents, we think they're preventable and want to address the cause versus sort of sweeping them under the rug if you will. The next area is electric reliability and Chairman you were just asking questions about the vegetation management impacts. So the way we talk about electric reliability, there's a couple of components, frequency of outages, that's the number you or I see a year is the SAIFI metric, and then how quickly we restore is the CAIDI metric, "d" for duration, and then the product of those two is SAIDI. But let's focus on SAIFI because we've got pretty much best in practice restoration. If we get outages, we're restoring them in 50 something minutes, you can't get better than that. Particularly at night when we're calling folks in and they're not on duty. So for purposes of improving our reliability want to continue to focus on SAIFI. And so far, this year, we started the big rush on the vegetation management and trimming around the August time frame and then by November, December saw significant progress. We've got 300 and some miles of lines and we trimmed probably 60+% of it this year. So the year to date SAIFI number, which is 0.69, is actually a 30% reduction compared to last year at this point in time. Several months ago we were also doubtful when that metric was in the red on the scorecard, if we would hit the year end metric and it looks like we're going to be able to hit that target now. So Tim Beyrle, in the back, has been tracking it really closely and Julie Couillard is going to be talking about the electric reliability improvement plan. So that aspect of it hits more of the equipment and technology installation that automates, sectionalizes your lines to minimize outages; I'll let her talk about that. But the spend on vegetation, when we were asking for more money you were probably thinking is it worth it. Well, yes, it is worth it, trees cause outages, trees also provide a path

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

for animals to jump onto lines so as we're seeing less vegetation impact, we're also seeing less wildlife cause outages as well.

Chairman Holcomb stated is there a way we'll be able to monetize that when, I mean again, as you start to travel, the rate of travel, to look at the investment versus the return. You know, yes, there's a monetary side and there's also the customer convenience side, so both are very measurable. And again the investment to the vegetation and then the switches that you guys referred to as shortening the areas of exposure, so all of that coming together there's a level of convenience and then there's a fiscal monetary savings that goes along with it; because it's really hard to answer.

Mr. Bunch stated there is a way and so the industry, elsewhere where I worked, we did a metrically cost per avoided interruption. So you're spending this much but you think you're going to avoid this many interruptions and then you track that over time. We don't have that today, but we'll look at...

Chairman Holcomb stated but is it a goal we're moving towards, I mean is there a standard that we've set?

Mr. Bunch stated well, what we're moving more towards right now is the physical reduction of the number of outages in those three metrics we track. But we'll look at the feasibility of the cost, it shouldn't be that difficult to do; good question. He then continued by stating so electric reliability is improved and again we've talked about a plan and we're working it. You'll hear a little more from Ms. Couillard in a few minutes. Next, Water Resources, all the metrics are green with the exception of March water loss; this was really the reason I wanted to cover it this month. Our current meter technology is a once a month read. We don't know during that month who's using what and how much, we find out at the end of the month. And the way billing systems work is you have billing groups, and I think we have 29, but there are months where you read more groups and there are 30-day periods where you read less. And last month was where we read more groups, so what appears to be higher water loss is actually higher consumption because we read more billing groups. Now when we will learn more about water loss as we get further down the modernization roadmap and invest in smart meters, we get more frequent reads and at the same time you also know where that use is occurring. Then you can start to pinpoint water loss. To be honest with you in the industry, without that level of detail it's tough for folks like Mr. West and his team to begin to track that actual loss. The big gaping losses we're going to find, they're going to show themselves with water coming up through the ground or somebody calling about a severe, a main break and things like that. But actually chasing this number down, we're pretty low as the industry goes but where we'll get to really fine point and pinpoint these periods for losses is when we get a little further down the modernization roadmap and have more advanced metering in place.

Mr. Bunch continued and stated so that's it for the water business, went to the next slide and stated Customer Service, all the metrics are green. I wanted to take a minute and pause here, so this month, Mr. Chavez talked about growth, we just crossed the 30,000 electric customer threshold. So from '67, that's 54 years in, we're at 30,000 customers, but I thought it would

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

be worthy just to pause for a minute and say it's a pretty neat day for us because those 10,000 customer increases are big deals; so we made 30,000 this past month.

Chairman Holcomb stated I'm just curious, when did we pass the 20,000?

Mr. Bunch stated I don't know exactly but it's probably more than ten years ago. I'm thinking probably 13 or so, but I'll shoot you an email on that if you'd like. So all the customer metrics are looking really good and while we've seen some municipalities suffer financially because of COVID last year and the economic downturn, our accounts receivable being current, that's less than 30 days, has been in that 97% range. And the lowest we saw was last May and June, when we did two things, we stopped doing disconnects and then it was that period when we gave the credit for the purchased fuel during those two months. That number dropped somewhere in the 94% range, but as soon as the level of economy started to pick up some steam, we started back on the disconnects, and everything has held steady. And our uncollectible revenue has been negligible compared to what we're seeing at other municipalities that just haven't changed their business practice back to normal. Because what happens is at some point, you've got to work with the customers, we developed payment plans and that worked well. But in some cases if you don't and they build an amount in arrears that they can't afford to pay back, at some point in time you have to cut the customer out and then you have a customer that can't afford to pay it back. So that turns into uncollectible revenue and again we've had a really good story. Mr. Chavez and his customer service team did an excellent job last year on managing through that.

Mr. Bunch continued and stated the other items are pretty much business as normal. Cybersecurity still is a good story and in fact we just learned Thursday and Friday that Brandy Keehn in I.T. is probably going to get a grant for us on 24/7 cyber monitoring for our operational systems. So last month or the month before you heard about that water utility over on the west coast, Oldsmar, had their I.T. system hacked, that was their water SCADA. So we have a water and electric SCADA and if we get the grant that Ms. Keehn's working on with FMPA, that will get potentially free monitoring of our electric system. And it's coincidental that she was talking with a vendor about potentially doing this for our water and electric SCADA systems on a subscription basis, that was about \$50,000 a year, and we may get at least the electric portion for free. But to date we've had no system level cyber incidents and the reason that she's and we're being considered for this is because among our muni peers it's viewed that she's way ahead of what other folks are doing for cybersecurity and they think we're ready to actually implement that compared to some other peers that haven't moved ahead and may not be prepared at this point. So that's it for the scorecard, any questions on the metrics?

Commissioner Hawes stated I have a question.

Commissioner Smith simultaneously indicated he had a question and asked what was Mr. Bunch's biggest fear from a cybersecurity standpoint?

Mr. Bunch stated so those two systems are my biggest fear to be honest with you. So what happened in Oldsmar is somebody actually logged on, somebody allowed constant remote access which we do not, and they still had an admin. default password. So somebody went

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

home, who knows what happened, but somebody logged in and was able to adjust the target for certain chemicals. It would have taken days to get there but the point is it could have had a bad outcome. In the electric system, if you get into the electric SCADA you could feasibly shut the lights out to the whole town really fast. So those two systems are the things that keep me up at night. Being held ransom and the other enterprise systems being hijacked or ransomed is less of a concern because I.T. has several levels of backups in place. We've got a physical backup at a different building, here and one of our campus sites, and we also have cloud backups. Where you've heard these cities that have been hijacked and held for ransom, they didn't have, a. they either didn't have a backup in place or it was physically connected and when they figured out how to hijack one system they were able to hijack the backup as well. In our case, physically diverse locations for the physical backups and then we have a cloud backup that's hosted offsite by another company for us. And let's say they could get in and hold our billing system ransom, we could sever the tie, shut it down and reload from one of the backups. But I worry about that but what I worry about more is the cyber for what we call the operational technology systems and those are the SCADA systems. Ms. Keehn and her team have been really vigilant in trying to understand the best practices and put those in place.

Chairman Holcomb stated let me ask you a question on that, the backup, is there an opinion Ms. Keehn, working with them that they are trying to get us all together to kind of identify these one-offs to where we all benefit from the... Like we all don't have to learn the lesson individually as a problem occurs, we share that data?

Ms. Keehn stated yes, there's a mutual experience network among utilities and then the FBI has something, and the Department of Homeland Security; so there's those networks and we share. It used to be you thought you had to hide it and now we're very forthcoming in a controlled environment to say this is going on. So we do learn from each other's experiences, and they try to be right on top of that, Homeland Security, letting you know what's going on in the industry.

Chairman Holcomb stated right, and we're seeing that with our lenders, like protecting the customer identity, and you know the U.C.'s is keeping the power on and the water clean but what used to be never, you know we're going to do our own thing, but there's this really openness willingness to all of a sudden start to collaborate versus go it alone. I think obviously from the experiences and a fiscal side of that too makes the whole unit stronger; so, just curious.

Mr. Bunch stated back to Commissioner Smith's question also, those two systems, we do not allow ongoing remote access to them. If we do allow it's very tightly controlled, it's got to be approved by the Water, Electric Director, there's a log maintained and there's only certain people that have been allowed to do that; it's tightly controlled. But still having one of these systems that provides 24/7 monitoring, it's at night without someone here in I.T. working, it would potentially be flagged as suspicious behavior. Typically, like last year you may have heard about the Solar Winds hack, that was big, the whole electric industry was worried because there was apparently eight or ten months before we figured it. They get in, they snoop around, they learn passwords, they figure out what they can change, what they can't and apparently, they will do that over long periods of time. And a system like this would

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

raise a flag and either immediately or within an eight or twelve hour period, people would start trying to figure out what's going on. But those are the things that keep me up.

Chairman Holcomb stated did we, and again me going back through COVID, basically we all went to work one day and then everybody went home but we still had to function as a business. And so, literally all the experiences and strategies and things that we had in place, you know talking to my friends at the bank there's some interesting stories, you know, just pay offs and lien paperwork. And all of a sudden you know you're not in the same building and now we've got to create a courier system within our own business, to someone to go get the mail, someone to sort the mail, someone to be, protected it from the mail, and then we've got to deliver the mail to the people that are displaced at home, and then... I mean it was just you know going back through, things came up that I just never thought I would never even...; like you just couldn't fix it or you had to reinvent what you do. And my question there is just as I'm in business and I've learned, you know there's a lot of things that I've fixed that I didn't really realize were issues, did we learn from the displacement? Because when you talk about remote access we just went through a whole year of remote access, I mean it was an interesting year to say the least.

Mr. Bunch stated so just a couple of examples of that, we probably only three or four months before had bought Microsoft Teams which enabled virtual meetings on a large scale, I think in November. When March came around, we probably only had eight or ten employees that were working remotely, and we had all Customer Service conducted in person. And in the next week I.T. expanded that to all the employees that we needed and wanted to work remote, I think it was 70 or so additional employees. I mean we had the entire Customer Service function working remotely. And then over the next month some of the processes that we figured we need to automate because they relied on paper, like approval of requisitions, they automated through things like DocuSign. So I would say it encouraged us and required us to use technology more and then in some cases we had to use technology that we did not use before. But I think in every case you know we'll probably go back to in person type Customer Service on some level but everything else is probably a permanent improvement that we're going to keep in place.

Chairman Holcomb stated that was the key, so there's a lot of stuff that I'm going to pull forward that probably prior to that I would have never thought in a million years I would do that and now if you try to take it away from me I would throw a fit. So that part of it I've learned a lot and I was just curious if we did too and that we'd be taking stuff forward because I think operationally it makes us more efficient. Like I said there's a lot of efficiencies through that expense and learning curve that I went through, that we all went through. There were a lot, like you said, efficiencies, operational things that we could just do better and would like to see that pulled forward; so that's encouraging to hear.

Mr. Bunch stated yes, all of the customer related metrics are at a better level than they were pre-COVID because of less face to face time and we're getting it all done. It's not that we're not meeting customer needs, they've adjusted the way they meet with us and pay us. As a result we've got more time to answer phones and when we do talk with them it gets things resolved quickly.

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

Chairman Holcomb stated that's good to hear.

Mr. Chavez stated to that end that's why we literally had almost zero issues with being closed because the drive thru's always an option. That really became valuable, another asset.

Chairman Holcomb stated what percentage of our transactions would you say the drive thru uses.

Mr. Chavez stated it's got to be 10% or 15%, I mean it's a good, it's busy day in and day out. I can get some better numbers.

Chairman Holcomb stated okay, I'm just curious, and the reason I asked the question, moving forward I don't see that number going up, I see it going down. I mean that's one of those things it was good to have but it's not initially I think I want to go and invest in within the next ten years.

(4-a) Financial Status – March 2021 (cont.):

Mr. Chavez then stated so two other things from a financial standpoint. The infrastructure refund, the termination of the infrastructure program and those letters went out. We are started, those went out in essence instructing to the folks to go onto the U.C.'s website, download the two forms they need to complete. If they have any questions, there was an email address. The letters have started being received, so we're fielding some questions but really no issues. One meeting requested with one Developer out in Venetian Bay but no issues and we're just following up. Mr. Bunch will be signing some and we'll go from there.

Mr. Chavez stated the last item, Fitch, the rating agency that looked at the U.C.'s financials. We had an annual meeting after the Consolidated Annual Report was completed. Happy, they gave us, reiterated our rating and it was just part of their annual process; so we're in all a pretty good story, no issues.

Commissioner Hawes then stated I had just the one question and it dives into a bit of the minutia, so I apologize. It's on page 235 of the 326 of our board packet, it's called the combined system and I think it's, let me show it to you or maybe they can bring it up. I know we put this in other facets but as I was kind of paging through the book, I think this tells just a great story and I want to make sure I understood it. So what it looks like is kind of total revenues, is it total revenues or just the three?

Mr. Chavez stated its combined system, yes, it would be total revenue.

Commissioner Hawes stated okay, and then obviously total expenses and the difference. And I know sometimes it's tough you know as you sort of look at this and I understand the report that you're preparing but it's nice to see that the charge to capital and kind of where this thing is really at and we're basically ahead of ourselves in revenue and behind things on expense and so our net it just looks very good; and this just leaped out at me when I was looking at it.

(4-a) Financial Status – March 2021 (cont.):

Mr. Chavez stated yes, and that's a really good point, the waterfalls that I have in the deck here, those are this year versus last year; the combined system views those are versus budget. And on the expense side it goes back to the veg. management because that is higher than budget but in essence it's paying off on the reliability side. Ms. Couillard and I discussed with the T&D folks that as we budget for next year, we're now going to have a much refined number because we're ahead of schedule in the three-year plan; a good observation.

Commissioner Hawes stated yes, that's very good, thank you

Mr. Bunch also thanked Mr. Chavez and indicated that was it for the General Manager's Report. We will come back to Ms. Couillard in section 7. Under New Business. We'll turn it over to General Counsel's Report.

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

Chairman Holcomb stated Mr. Cloud, General Counsel's Report.

Mr. Cloud stated yes, just wanted to bring you all up to date on the broadband bill that's been pending. (Provided the Commissioners with an informational packet entitled "Florida Broadband Bill Report".) The current version of it, which is considerably safer for us, has passed out of the house and is scheduled to be voted on in the Senate tomorrow. There will be a swap off, there's an additional bill that was joined on the House bill, it will be added to the Senate bill at some point. And then they'll figure out which one can get through the calendar the fastest before the end of the year and then that one will become law; but what does all that mean? Originally, almost two months ago, Charter and a group called Florida Internet and Television Association, which is a group made up of the huge communications corporations came in and said oh, we have a problem. And the problem is that we don't get enough customers in the rural areas for 5G. You know whenever you hear the term 5G, you can pretty much count on that somebody is blowing smoke somewhere that is not an appropriate place for the smoke to be blown. And so the thrust of this bill, which was not going to apply to rural electric cooperatives which are the entities where you would think it would apply, was going to apply only in cities and only to municipal electric utilities, which makes no sense. And it was very broad and what it did was, currently under Federal law cities are exempt from FCC regulation for pole attachments. You actually have the right to say no on pole attachments since the bill was originally passed in 1978. The IOU's are actually required to allow pole attachments and they have to comply with what are known as the FCC, Federal Communications Commission standards for setting the pole attachment fees which are heavily weighted to the communications companies. Even though Congress has exempted any kind of regulation over pole attachments for municipalities, the states have always been free to regulate. And so that's what this really was, it was a wolf in sheep's clothing. It was an attempt by the communications industry to place the same kind of standards on pole attachment fees from municipalities in Florida that have applied to IOU's, but not apply them to rural electric cooperatives.

Mr. Cloud continued and stated so a considerable amount of effort has gone in to changing the original bill. The original bill would have opened up access to pole attachments as a matter of right which this is publicly owned property. It would be like saying that people could set up

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

businesses in the public right of way at no cost. And so far, only the communications companies have gotten away with that with regard to 5G on non-electric poles. But it would have also applied the FCC standards to the setting of pole attachment fees, and it would have actually subjected disputes over that to the Florida Public Service Commission, never happened before, it is not that way in any state in the union. So it's a very, very, very bad bill for municipal electric utilities. The worst of that has been taken out, they no longer have a right to automatic use of poles. We still have the ability to set pole attachment fees based on the APPA standard which is based on costs and a number of other things have been saved. The only thing that happened is in areas that set at a certain density, the communications companies have the ability to come in and request a promotional attachment fee of a dollar per pole, roughly 1/30th of the cost, in those areas that do not have a certain amount of customers. None of which I think apply in New Smyrna Beach. And for three years they have the right to this promotional fee, after three years it goes away and there's a policing mechanism in place to keep an eye on them to make sure that they're not playing games with the MPBS, the speed at which things, the communication's data is transmitted.

Mr. Cloud then stated, and you know this stuff sounds terribly complicated but what it boils down to is that FMEA and Utilities Commission, City of New Smyrna Beach had a huge impact on the direction of this bill, a huge impact. This could have very easily cost electric customers in our service area a quarter of a million dollars a year in lost revenue that would have had to been made up. And it took a while before my partner Dean Cannon and Bill Peebles' firm and FMEA and Jack Holcomb and Joe Bunch were able to get to the right people and explain it to them, so they understood what was at stake here. And that communications companies were walking in and asking for a free ride in effect on municipal electric poles based on a lie that somehow there was this lack of service in rural areas. Which is candidly how a lot of these communication lobby efforts start out. Is they spin a story and the only way you have to defeat it is to be able to explain it to the right people. And I think that took place, I think that, and we're monitoring it to make sure that somebody doesn't come in with a last minute hand grenade or land mine. But I think we're going to make it out okay on this bill. And I did a report up that explains some of this, I included the fact sheets that we supplied to those folks who worked on it. Because originally they tried mucking the Utilities Commission because admittedly we have rates that are based on the APPA that we just set so yes, they're going to be towards the high end but we were able to show that on many other metrics we're at the very lowest end. Right now we have amongst, in fact we have the lowest municipal electric rates in Florida, something to be proud of, so it's a little hard to start hammering us over pole attachment fees when the whole purpose of it is to make sure that our electric customers are not being unfairly hammered. I've also got in here the staff reports as well as the bill language so that you can review it at your leisure. And I'd be happy to answer any questions you may have and that was all I have for this month.

Chairman Holcomb stated Commissioners, do you have any questions?

Commissioner Conrad stated thank you for doing all that.

Mr. Cloud stated no, no, I have a partner who used to be Speaker of the House who is very, very good at this. I never wanted to be a lobbyist. And you have a Chairman that actually was able to pick up the phone and call some people and was able to affect some changes that

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

was very helpful. And your CEO played a big role in that. Whenever something would come up that they wanted someone that actually has worked with the law then I would get like a midnight email saying what does this really mean. I enjoy doing that believe it or not, that was my role, but it was a small role and there were other people who had a lot more experience than me who did the heavy lifting and I'm very thankful for that.

Mr. Bunch stated Mr. Cloud forgot somebody. As we were working to resolve the dispute with AT&T that went back to 2008, he was the one that pulled in the APPA contract and calculation template. So when people said well how are your rates calculated, we said we're using generally accepted methodologies, not random numbers.

Mr. Cloud stated not voodoo economics.

Mr. Bunch stated and by the way here they are, feel free to poke holes at them. Mr. Cloud actually did that for us, and it was involved in settling the contract and putting in the new rates, coincidentally that started January 1 of this year, just prior to the legislative session. So I want to thank Mr. Cloud personally for that effort as well.

Chairman Holcomb commented like I said, explanation and making things common and using common tools to set a rate or a fee or whatever it just lends to a lot of credibility when that rate or fee gets called into question. So I can't emphasize the importance of that, in using that tool and how it's easy to understand; so that's you guys and I appreciate that. He then confirmed with Mr. Cloud there was nothing further.

(6) Old Business:

(6-a) Approval of Agreement – Infrastructure Fee Final Reconciliation, Reimbursement, Credit and Release Agreement Between GEOSAM and UCNSB:

Mr. Chavez stated as part of the infrastructure termination and refund process we request your approval on the GEOSAM and Utilities Commission contract. This covers the refund portion as well as the credit portion. There is a portion on the credits that will be paid out over time as it relates to the completion of some projects underway. But we request your approval to kind of put this to bed.

Chairman Holcomb stated I just had one question, I read it, and I'm pretty sure, I just want to ask the question on the record – this is only GEOSAM.

Mr. Chavez stated yes, this is only GEOSAM.

Mr. Cloud stated but it's the vast majority of this.

Chairman Holcomb stated I understand but I only want this to be approving only for GEOSAM.

Mr. Chavez stated right, the majority of, when we had the other presentation that had all the other two or three pages, multiple line items.

(6-a) Approval of Agreement – Infrastructure Fee Final Reconciliation, Reimbursement, Credit and Release Agreement Between GEOSAM and UCNSB (cont.):

Chairman Holcomb stated you're looking for a motion to approve, okay.

Commissioner Hawes stated just one other quick question, the release. Is the release just for this, the legal release, just for this item?

Mr. Chavez stated just for GEOSAM.

Mr. Cloud stated but we have a release for everyone else.

Commissioner Hawes stated oh, that's what, yes okay.

Mr. Chavez stated this one wraps in the release.

Chairman Holcomb commented no release, no "checkie".

Mr. Chavez stated exactly.

Chairman Holcomb stated we had that conversation; those were Tom Cloud's words.

Commissioner Davenport stated they understood that at the Developers' meeting too, loud and clear.

Mr. Chavez stated the difference between this, and the other ones is we have credits and refunds. The bread and butter of everybody else just had refunds. Now there will be one more contract similar to this for one more that has refunds and credits, but that's it, after that no more.

Mr. Cloud commented since there's no contingent to the termination.

Mr. Chavez stated yes, exactly.

Chairman Holcomb confirmed there were no further questions and added he needed a motion for the approval of the agreement for the infrastructure fee final reconciliation reimbursement credits and release between GEOSAM and UCNSB.

Commissioner Conrad stated I'll make that motion; specifically a motion to approve the GEOSAM/UCNSB Infrastructure Fee Final Reconciliation, Reimbursement, Credit and Release Agreement. (Agreement to be executed by the Chairman.)

Commissioner Davenport stated I second it.

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

(7) New Business:

(7-a) Feeder Reliability Improvement Plans – Level 1 Projects (Total of Six (6) Projects):

Chairman Holcomb then stated New Business.

Mr. Bunch stated okay, I've asked Ms. Couillard to come up and talk about our reliability improvement program.

Ms. Couillard stated so real quick before I get started, I just want to let you know since we're talking about Barracuda Bridge. There will be notices going out, there is an FDOT meeting here at the Brannon Center on the 4th of May which we're participating in. So you'll see announcements and things in the paper about that, folks can come and ask questions and things.

Ms. Couillard then proceeded with her presentation entitled: "Update: Electric System Reliability Improvement Plans" by stating this is an update on the reliability improvement plan that we presented last July. Bringing you up to speed of where we are and then I will be asking for approval on specific projects in that area. So as Mr. Bunch was talking earlier, our program strategy is aimed at reducing frequency in SAIFI and SAIDI; so less than 1.0. Five year averages our frequency of SAIFI is 1.68, CAIDI is 55 and SAIDI is around 92. We are driving SAIFI down, part of that is the veg. management work we've been doing. Also we're installing new feeders out of Smyrna Sub. And so we did budget for the Grid Modernization Roadmap, you saw in the budget last year kind of two line items, one was reliability and one was grid mod. We are taking that now and actually asking you for specific projects under that budget. And so last year in the budget for five years we had about \$22 or \$23 million.

Ms. Couillard went to the next slide and stated so just to show some comparisons of where we are, compared to our peers and FPL and Duke, on page 3 you'll see for the U.C. our duration CAIDI, SAIFI, and MAIFIE. MAIFIE is another industry term and what that is annual momentaries. So the total momentaries we had for the year, minus any that were related to an actual outage divided by total number of customers. So that's the very bottom metric and you can see we're at 9.1 which is significantly greater than our peers. So we are targeting that as well, as we drive SAIFI down, MAIFIE will go down as well.

Mr. Bunch stated so momentaries are basically your flashes of lights. They're typically caused by temporary contact, like trees and wildlife. Then your system clears it and it doesn't result in an outage. Those don't concern us because we know trimming the lines and making the additional investments are going to drive that one down. The big one as Ms. Couillard said, and I said earlier, is reducing the frequency of interruptions. When you do that and you hold your restoration fast as we are currently doing, everything else will fall in place. I had a reason also why we had Gulf in there. So a couple years ago Gulf was acquired by Florida Power & Light. Three years ago their numbers weren't anywhere near as good as theirs. Now prior to coming here, in my prior career, I worked with Exelon, we had six utilities, 10 million customers. I was part of merger integrations for three of those utilities and FPL basically has a play book similar to what we had and to what we're employing here. If you do these things for reliability, then you will get the improvements. And of this year Gulf's frequency of outage was actually better than FPL's as a result of that targeted improvement on a much smaller area than say FPL has, because they have about 4 million customers if you don't count the Gulf customers in there. But to Ms. Couillard's point, we know if we focus

(7-a) Feeder Reliability Improvement Plans – Level 1 Projects (Total of Six (6) Projects)
(cont.):

on SAIFI based on where we are with CAIDI today and continuing to trim the lines, all these other numbers are going to fall into the targets that we have.

Chairman Holcomb stated how long from point A to point B, or Z?

Mr. Bunch stated to Ms. Couillard, now talk about our plan and time.

Ms. Couillard stated yes.

Mr. Bunch commented good lead in question.

Ms. Couillard stated just before we jump, the colors green and yellow (on slide 3), that just shows you who is best in class and who's second best; it does not mean the yellow is bad. Then she went to the next slide and stated moving on to our update, so we told you we were going to do a lot of things, now I'm here to tell you we did a lot of things. We completed our Protection and Control Device Coordination study, so our fuses, our reclosers, our TripSavers all work together now so that this one may trip, it won't trip this one. We've had a lot of different settings and things have changed over time; we cleaned that up. We're also cleaning up our sizes so that we have consistent sizing for the trouble men who are working in the middle of the night. They won't have to worry about will it coordinate, it's all said and done. So that was a big effort and I think that's going to save us on SAIFI. Our Vegetation Management Plan, as you know is greater than 50% completed. That's 50% of our lines are trimmed and cleared and trees yanked out, the whole thing. It is affecting our SAIFI already, we're 30% below what we were last year. So we're starting to see, as the winds come in and the storms come in, the benefits from that. We have new feeders out of Smyrna Sub., so line 28 used to be line 11, line 31 was line 12. We are in the process of splitting line 31 and actually that's 75% complete. We, just yesterday, received our FDOT permit, so we're going to bore under S.R. 44, we should get that completed in the next month. Everything's been ordered, we have the equipment.

Mr. Bunch stated that was the line if we had an outage on in the past, that we saw 4,500 customers impacted.

Ms. Couillard stated yes, that's Coastal Woods and V-Bay (Venetian Bay).

Mr. Bunch stated if you had seven of those a year that would foul up our SAIFI target. So just dividing the number of customers on that feeder between two feeders will have an immediate improvement on the reliability. If we do have an outage, fewer customers will see it. Some of the other things Ms. Couillard will be doing will be also speeding up how things will restore as well.

Chairman Holcomb stated so that area that we were exposed to when we had a problem, 3,500 people were exposed to the problem?

Mr. Bunch interjected 4,500.

(7-a) Feeder Reliability Improvement Plans – Level 1 Projects (Total of Six (6) Projects)
(cont.):

Ms. Couillard stated exactly – 4,500.

Chairman Holcomb reiterated 4,500, which is again, you take that 30,000 number, that's a significant part of our total customer base. So now what's the exposure, what have we broken that into, once we're done and it's under.

Ms. Couillard stated 50/50, splitting it in half.

Chairman Holcomb stated okay, is that where we want to end up or do we want to even take that and make it better or is that what we're looking for?

Ms. Couillard stated long term our plan is to make it better. We have more feeders coming out of Smyrna Sub. and we're going to go under I-95, go up, split it up. I also want to connect feeders together so we can automatically switch if we have an issue. And then longer term I need to look at our transmission system, loop that up and probably add another transformer somewhere.

Chairman Holcomb stated and that was one of those where you just identified the most exposure, go attack it first.

Ms. Couillard stated yes, exactly.

Chairman Holcomb continued, so that was one of our bigger problems, go and hack it out.

Ms. Couillard stated exactly.

Chairman Holcomb commented great to hear.

Ms. Couillard stated so speaking of that we've been working on our top six, worst performing circuits. These are the ones we're going to talk about today. I showed you these in July. We've ordered some equipment, just because as Mr. Chavez said earlier, lead times are getting extremely long and prices are going up.

Chairman Holcomb stated brace yourselves.

Ms. Couillard stated I know, it's crazy.

Chairman Holcomb stated your threshold will be expanded and so will your tolerance and your pocketbook.

Ms. Couillard stated and so that's what we have underway or completed. Of course we have our future stuff which we talked about, the load transferring, feeder balancing, distribution automation between feeders, around feeders, aging asset upgrades. I'm working on a plan for that, hardening and undergrounding. Our top six worst performing circuits, line 11, 12, which are 28 and it will be 29 and 31, 14, 25, and 26. These are the groups that we trimmed first. So we hit these guys hard with the vegetation management. We also took advantage of a

(7-a) Feeder Reliability Improvement Plans – Level 1 Projects (Total of Six (6) Projects)
(cont.):

project we're working on and we added another feeder that was paid for under the capital project. So we got an additional feeder this year, line 17 trimmed in total as part of that project.

Chairman Holcomb stated let me tell you where that helps us too because we overlook this sometimes, you know so we can follow it. Because we do approve the money and we want to make sure that we are taking care of our biggest problem first and working our way forward which you guys told us you were going to do. But this kind of gives me, all right these are the ones we were on, this is where we're at, this is where we're going. So we just finished this, or we're working towards this and we're moving on to that, and it's easier to follow. So I appreciate that, the little graphs and charts and explanation of the investment, you know how we've traveled, and then basically the reinvestment and then on to the new problems as we're moving forward.

Ms. Couillard stated right, great.

Chairman Holcomb added, the way you guys are explaining it, it's very helpful. I hope the other Commissioners see that, as you jump in its easier to follow and I appreciate that, I didn't want to let that pass.

Ms. Couillard stated great, I'm glad, thank you. She then continued by stating, just to remind you 6 circuits out of 13 total; so that's pretty good. So then what I did, I just wanted you to see the areas that we're impacting. These were in the previous presentation; I just blew them up a little bit. They're hard to read because they're off our GIS and only so much will fit on the page but I did put the impacted area. So line 28 is S.R. 44, it comes out of Smyrna Sub., goes down S.R. 44 (slide 7), it's the alternate feed for the hospital and then there's the residential which is on the south side; so the green line is the feeder.

Ms. Couillard continued, line 31 comes out of Smyrna Sub. and it impacts currently, Samsula, V-Bay, Pioneer Trail (slide 8). This is our 4,500 customer feeder. You'll see the little green dot in the bottom and a note, that's where it will be split. So just across S.R. 44, you know where Raceway is, Ocean Gate, right there. So we'll split it there, that splits it in half. Line 14 is beachside, 26th Avenue south, on slide 9. Line 25 is beachside, 3rd Avenue, south. Line 26 is Glencoe Road, Old Mission Road, south of S.R. 44. So what we will be doing on all these feeders will be splitting line 31, then we'll be adding TripSavers and reclosers, along each of the lines, that will be installed.

Ms. Couillard proceeded to slide 12 and stated I've created six work orders, one for each feeder, with the budget amount to purchase the reclosers, the TripSavers, and install them. Our plan is to use the internal crews to install them at this point, but we may outsource to Pike because they're a resource.

Mr. Bunch then requested Ms. Couillard to talk about the function of a recloser is, where it goes, and where TripSavers go and how that works to make improvements.

(7-a) Feeder Reliability Improvement Plans – Level 1 Projects (Total of Six (6) Projects)
(cont.):

Ms. Couillard stated sure. So a TripSaver is like an automated fuse, those are put on what we call laterals. If you're driving down the road and you see a tap that goes one way, only has one line on it, that's called a lateral. And so we are putting TripSavers on all our laterals. And we may do sub-laterals depending on number of customers.

Mr. Bunch stated and how does a TripSaver work versus a fuse.

Ms. Couillard stated yes, so if a fuse senses a fault it will blow. So it blows, crews have to go out, find it, and then they have to replace it. Whereas a TripSaver will sense it, it will trip and then it will close back in. So it's kind of self-healing, it fixes itself.

Mr. Cloud stated the reclosers are the backwards "c's" right?

Ms. Couillard stated reclosers are big, the backward "c's" are the fuses. And then TripSavers fit in the fuse mounting, so you take the fuse out and put a TripSaver in the fuse mounting.

Chairman Holcomb stated so let me ask you a question. The investment is to have less outages, have less repair. So the one that trips versus blows, right, that one is when we replace it what do we see that reducing our, you know, when we have to send a crew out to put that switch; like how many of those are we solving a problem. Because to me if we have to send out a crew that seems like a real expensive way to fix something when you have that option of kind of sensing it, preparing and the system doesn't floor you.

Mr. Bunch stated so what percentage of the time does that happen versus you eventually do see an outage. Maybe you could describe that, it's sort of just a continuance to that question.

Mr. Cloud stated percent reductions.

Mr. Bunch stated transient versus sustained number of faults.

Chairman Holcomb also simultaneously stated percentage.

Ms. Couillard asked on a fuse lateral?

Mr. Bunch stated isn't like 75% transient that a recloser or a TripSaver will actually work on.

Ms. Couillard stated yes.

Chairman Holcomb stated so all the outages, that technology will reduce it by 75%.

Ms. Couillard stated yes.

Chairman Holcomb stated that's.., okay, that's a big number.

(7-a) Feeder Reliability Improvement Plans – Level 1 Projects (Total of Six (6) Projects)
(cont.):

Mr. Bunch stated when you do have outages, because you segmented your system much further, fewer people actually get in the outage. So you hit it two ways, fewer people see outages and less outages.

Chairman Holcomb stated well, it's a win, win. The customer wins and we win because we're not putting a crew out there to solve that problem.

Ms. Couillard stated right, less truck rolls is what they're called. And so the TripSaver will, I call them self-healing, but it will trip and then it will put itself back. And it only needs a couple of amps to actually operate. A recloser, we put on the main line, so that's for any kind of a three-phase fault you might see. It prevents, I'm thinking we're looking at about three per feeder, depending on the size. It prevents the recloser in the substation from tripping the entire feeder, so it reduces the impact again. And so a recloser can be programmed, we'll program them and a lot of time you'll see blink, blink, blink, so it will do three blinks to try to clear it and if it doesn't clear, then it opens. So we'll have those, and they're all coordinated too so this one over here won't trip the substation one; it also reduces impacts on customers. We do replace a lot of fuses, I don't have the number in my head but.., a lot.

Chairman Holcomb stated I get that.

Commissioner Davenport stated I find it interesting that on line 14 is the only one we have the wildlife issue.

Ms. Couillard stated yes, what can I say.

Commissioner Davenport stated I would think there would be more of that.

Ms. Couillard clarified we do have them; these are the highest ones. They are like all over our customer system, but that one has really been tripping, line 14 for some reason. So reclosers, TripSavers, feeder split. So we're requesting, and I did budget for this for the next three years like I said, but we're requesting \$2.9 million across these six feeders to purchase the equipment and install it, do all the programming and put them in place.

Chairman Holcomb stated and we have the \$669,000 that's already been budgeted in 2021 and the other \$2.1 million will be budgeted in 2022; correct?

Ms. Couillard stated yes.

Commissioner Davenport stated I'll make that motion that we follow through on what Ms. Couillard's recommending here, the \$2.8 million. Specifically, a motion to approve the Feeder Reliability Level 1 Projects (six projects) in the total combined amount of \$2,856,000.00 (inclusive of a pre-approved amount of \$67,050 for 18 TripSavers on Line 25 project) and authorize the General Manager/CEO or his designee to execute all documents associated with this matter.

Chairman Holcomb commented on the updated electrical system.

(7-a) Feeder Reliability Improvement Plans – Level 1 Projects (Total of Six (6) Projects)
(cont.):

Commissioner Hawes stated I would second that.

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

Commissioner Davenport then commented very good job, excellent.

Ms. Couillard stated thank you.

Mr. Bunch additionally thanked Ms. Couillard and then stated back to you Chairman.

(8) Possible Other Business – Time for Commissioners:

Chairman Holcomb stated all right, so it's the end, possible other business, each Commissioner. Commissioner Hawes do you have anything?

Commissioner Hawes stated no thank you.

Chairman Holcomb stated Commissioner Davenport?

Commissioner Davenport stated yes, what a great job Ms. Couillard. It's just so awesome to sit up here and watch, and Mr. Chavez, watch the reports. And Chairman Holcomb you made a statement a while ago about how it's laid out there and it's easier for us to read and the transparency that we see is so different. And I just want to tell you thank you very much; good job everybody.

Chairman Holcomb stated Commissioner Conrad?

Commissioner Conrad stated I agree with him, Commissioner Davenport. Also it's nice to see our former Chairman here in the audience today, looking good.

Chairman Holcomb stated Commissioner Smith?

Commissioner Smith stated just one thing, well two things. One is to congratulate Commissioner Davenport for being appointed to the Florida Inland Navigation District; I read that in the paper this week.

Commissioner Davenport stated thank you.

Commissioner Smith added I know he'll do an excellent job. I think he's the second New Smyrna State Farm agent to be appointed to the Inland Navigation District. The other thing is, and I don't know where it is, but I read about this award for safety. In my humble opinion the sign of a well-managed organization is safety. I congratulate the CEO and his staff for the great job that they're doing.

Mr. Bunch stated thank you to Commissioner Smith.

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

Chairman Holcomb then stated we had a meeting with a lot of the contractors, developers and users, civil engineers, our customers; and I've always refrained from sitting in those meetings. We did it a couple of years ago, I forget when we did it, but for the reason of you're the ones that have to make the relationships, you're the ones that have to work through it. And you know just following up talking to a lot of the people that were kind of throwing barbs, we were tough to use, we were not willing to work with them; that's changed significantly. And that doesn't mean we're easy, that doesn't mean we've lowered our standard, what it means is we're considerate of the process which is the one thing I've always wanted. You have people coming in here that are looking for help, spending money, you know, that really don't know how to navigate the process. And I think it's throw all these little things in reports and organization that you guys have worked at the last three or four years; it makes the process easier. And when I have four or five, I think I got to about my sixth call and it was just the same feedback: Jack, these people get it, they want to help us, they understand their job's easier when, you know the sooner we get through issues and problems. Which we're going to have, they're never not going to happen, but that they feel like they at least, where there's some consideration for their dollar, their time, and their opinions. So that's encouraging, you know we talked I think marketing, talked about two years ago and talked recently about it, but your reputation is your number one marketing tool. Who you are, what you do, and I think from listening to the employees and the way you guys are explaining things to us, I'm listening to our users. You know we'll never be perfect but there's no reason we can't try to be, and I think just watching this become clearer, easier to follow and the direction we're going, it's exciting. But it's nice to hear that the people that are walking in the building that are communicating with us and I'll even go to the receivables side where people reached out to me and said you know it's just reassuring to know you guys had us. We were not expecting the well, we'll work with you on our bill call, we were expecting, you know, pay us or it's over. So don't ever take for granted that that face to face or that communication or that willingness to work with. And again if those people sitting there aren't always trying to get more than they're probably entitled to, they would be unemployed, so we understand that. We recognize it, we appreciate it, but we're going to work to give you as much as you're entitled to or what we can give you that makes sense.

Chairman Holcomb continued, and so for me I've just got to tell you, and across the staff. I mean I listen to the I.T. department and the stories, where we're at, where we were. I mean the thought we're having that conversation three years ago, the former Chairman's sitting out there, our eyes were crossed. But like I said its fun to sit up here and see the investment kind of get into the system, get into the people, and then again, I'm going to push to make your lives easier, you know spending money. Making sure your jobs coming here with Mr. Bunch that we can get you the tools necessary to be even more efficient, that you have the best stuff to work with. And that's nice working with Mr. Bunch on that because that seems to be, he gets it, he understands that the better he empowers you, gives you better tools, the better you can be as an employee. And it's exciting to hear, it's been over a two to three year process, the reason I state that is because that guy sitting back there in the middle there with the beard, I want him to actually know that it's actually happening. You know it's never going to be finished but its always going to be ongoing, I just want to commend everybody sitting in the room. I tell you I truly appreciate it because it's a lot easier going through town having those conversations than it is the other ones. So I appreciate it, I think we're working better with the City. I keep hearing good, positive feedback, we all benefit, this community benefits with

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

a good working relationship with our City. And I'll always go back to the number one reason that I was asked to serve on this board was that we have a good relationship with the City. So just keep moving forward, I love to see all this stuff we've got in the weeds, you know we're basically looking forward but it's all coming together and we're checking boxes and sooner or later you're not going to have these lines to clear and all these lines to fix and we're going to be doing a lot better. So I appreciate everything you guys all do, sometimes it doesn't get stated and I just wanted to say that; adding missed you last meeting. Chairman Holcomb then stated with that, we're adjourned.

There being no further business to come before the Commission, the Regular U.C. Meeting closed at 4:19 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.}