

## AGENDA ITEM 3-a

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

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

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

Chairman Holcomb then stated safety message by Mr. Tom West (sic Tim Beyrle).

Mr. Beyrle came to the podium and commented he was not Tom West. First thing we'll do, a little housekeeping since many of you are only here once a month. In case of evacuation we have a set of stairs over there and down this hall and to the right there's another set of stairs which takes us down and out of the building. There's an AED located on the wall over there and one down on the first floor behind the Security Guard. And there's a fire extinguisher on the wall around the corner there and restrooms on either side. Then stated this month's safety message is about generator safety, specifically portable generators like many of us use during hurricane season. Since we're coming into that season right now this is a good time for it. We want to make sure that all our customers are safe throughout the season.

Mr. Beyrle continued, more than 900 people died of carbon monoxide poisoning and thousands are injured using portable generators from 2005 to 2017. High levels of carbon monoxide can kill within five minutes. So there's some important safety tips if you are going to use a portable generator at your house during the times of outages. Never run a generator in closed spaces or indoors. Keep five feet away from any windows, doors, or vent openings. Don't run your generator in the rain. Before refueling always be sure to turn it off, let it cool off before you add more fuel. Store plenty of gasoline but don't store it inside, store it in a safe place and in an approved container. Some of the new generators actually have carbon monoxide monitoring built into them to make them even safer. If you are going to have a permanent hook up, make sure it's connected by a licensed electrician and meets all the permitting and code requirements. And don't try and back feed your house with a portable generator. If done improperly it could endanger you, it could endanger the linemen when they come out, it could back feed into our system if the generator is still running and you haven't wired it in properly. So always be sure to turn it off when not home if we're doing restoration.

Mr. Beyrle concluded by stating we have a little present for each of you in the box, for if the lights do go out (small LED lantern). Those will light up quite a bit of the house and you can still get some things done.

Commissioner Conrad and Chairman Holcomb stated thank you.

Commissioner Hawes stated quick question, does a transfer switch eliminate that problem with a generator?

Safety Message by Tim Beyrle – Generator Safety – Customers and UCNSB Employees Protection (cont.):

Mr. Beyrle stated it does, if its installed according to code it will prevent back feed.

Commissioner Smith then asked do you recommend converting a gas generator to propane?

Mr. Beyrle stated he did not have an opinion on that either way. Propane can be hard to come by sometimes, just like gasoline can after a hurricane. We found that out the hard way many years ago, the propane stations need electricity just like the gas stations do. It would probably run a little bit cleaner but that’s really kind of a personal choice.

Commissioner Davenport stated did I hear you just say don’t run your generator when it’s raining?

Mr. Beyrle stated well, you don’t want to leave it out in the rain running. You can get a tent or a tarp or something to build over the top of it but you don’t want it running in the rain (unprotected). I mean if it’s a whole house generator you have installed, they have housing.

Chairman Holcomb stated yes, they do everything for you, they pull the permits, the works. Any other questions? There being none, he stated thank you to Mr. Beyrle.

Mr. Beyrle commented hopefully you won’t need this (LED lantern) this year.

Chairman Holcomb then requested Mrs. Simmons to call the roll for the Regular U.C. Meeting.

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

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

Others in attendance were as follows: J. Bunch, General Manager/CEO; E. Chavez, Director, Finance/ CFO; J. Couillard, Director, Engineering; T. Beyrle, Director, System Ops.; B. Keehn, Director, Information Technology; T. West, Director, Water Resources; B. Beck, Director, Central Services; V. Steele, Director, Electric Operations; John McMurray, Director, Strategic Programs; E. Fisher, Community Relations | Public Information Officer; J. Michel, I.T. Manager, Infrastructure; #Laquavius Green; Help Desk Technician; M. Spellers, Sr. Help Desk Technician; D. Simmons, Exec. Services Mgr./ Recording Secretary; General Counsel Thomas Cloud Esquire – Gray| Robinson Attorneys at Law; and John Moss, and an unidentified woman and man, all members of the public.#

(1) Agenda Changes, Additions and Deletions:

Chairman Holcomb then stated Mr. Bunch, any additions, agenda changes or deletions?

(1) Agenda Changes, Additions and Deletions (cont.):

Mr. Bunch stated no additions or changes Mr. Chairman.

Chairman Holcomb stated all right, and we'll do the public hearings after the approval of the consent items, okay.

Mr. Bunch stated yes sir.

(2) Public Participation:

Chairman Holcomb then stated at this time I'd like to ask for public participation. If anybody is out in the crowd here and would like to come up and speak and ask a question, please come up to the podium and state your name, address and any concerns you might have. There being none, he stated okay, at that point 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 at this time does any Commissioner wish to pull any of the consent items?

Commissioner Smith stated yes sir, I'd like to pull e., f., and g. Then stated leave off f.

Chairman Holcomb stated say that again.

Commissioner Smith then stated 3-e. and 3-g.

Chairman Holcomb stated all right, e. and g. Anybody else? All right at this time I need a motion to approve consent a., b., c. d., f. and h. (sic – no h.)

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

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

award to Young's Communications, LLC, in the amount of \$2,927,011.00 and a project budget increase in the amount of \$562,315.00, increasing the total budget for this project to \$2,995,000.00. Previous overall project authorization, referenced in the agenda item, for the GM-CEO or his designee to execute all associated project documentation is ongoing.

Chairman Holcomb stated I need a second.

Commissioners Hawes and Conrad simultaneously stated second.

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

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

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

Mr. Bunch stated okay, could I ask Ms. Julie Couillard to come up to the podium and address questions that we might have on items e. and g.

Commissioner Smith stated okay, I pulled it, I guess I better come up with a question pretty quick. Can you just briefly tell me what is involved in the well rehabilitation and the second part of the question is what exactly is Kimley-Horn's role in this rehabilitation process?

Ms. Couillard stated so the wellfield well rehabilitation process starts with an assessment. So Kimley-Horn is our continuing services contractor that does this type of work. So they will go out, assess our wellfields and come up with a rehabilitation plan for us, whether we need to clean them, line them, other things that may have come up that we have to install and then we'll have our program outside of this.

Commissioner Smith stated okay.

Commissioner Conrad asked is that annual?

Ms. Couillard stated no.

Commissioner Conrad stated how often, five years, ten years?

Ms. Couillard stated let me ask the expert.

Mr. Bunch stated and Mr. West as you address it maybe you could speak to what they did in the first phase, as to what will have to occur going forward.

Mr. West stated yes, for the first few years we're going to be going through several of them. We're not going to hit every well in the first year, first go around, so it's going to be we're going to hit the ones that are going to give us the most return on our investment first and then go out to the rest of them. It's probably going to take two or three years to work our way

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

through all the wells. We should be doing it on an approximately a three to five-year cycle. So basically what they're doing is they're taking a look at the health of the well. We do testing on them, on a monthly basis, we take a look at how much pressure you're losing as your pulling the water out of the ground, that's something called specific capacity of the well. And then we're also taking a look at the water level in the well and how much flow we can get out of it. They go a little bit deeper than we do, they actually put a camera down the casing and take a look at the health of the well down in the bore hole and decide whether we need to do either chlorination treatments. They can put brushes down there and scrub the formation and they can also acidify the well if there's other products that are stuck in the holes of the well if you will. So they just take a look, assess what the condition is, and then make a recommendation as to whether we do or don't need to treat it in order to get more capacity back. The idea is that it's an ongoing rehabilitation program for the wells so that we don't have to replace them on the short term.

Commissioner Conrad stated and how many wells do we have?

Mr. West stated 23.

Commissioner Conrad stated thank you.

Chairman Holcomb stated so you made the statement that it should be every three to five years, that's a concerning statement. It sounds like you guys believe in the three to five years but is there, do we have a rule or do we have a standard that we've set up to achieve that? If you were all to leave and the next people that came in didn't quite see it the way you did.

Mr. West stated there's no specific standard or requirement, there's no specific standard or requirement from the state either. This is entirely up to the system to determine what the frequency should be, so in consultation with Kimley-Horn, we're going to come up with what the game plan should be going forward. So they're going to give us a maintenance program if you will, that will be some of the output of this.

Chairman Holcomb stated versus wait until the big one hits.

Mr. West commented until it falls apart.

Chairman Holcomb stated all right, so that's where, you're headed in that direction we're just not there yet.

Mr. West stated that's correct.

Chairman Holcomb stated okay, fair enough.

Commissioner Hawes stated and then do you guys come back to us with that report or at least exceptions or something or?

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

Mr. West stated it's actually included in our budget to do that work, so its part of the budget approval process. If there was something significant however, like a well it was to the point it needed to be replaced, at that point yes, we would have to come back to you.

Chairman Holcomb stated any other questions? There being none, he went to the next item.

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

Commissioner Smith stated yes, I've got to see if I can read my own writing here. What was the original amount for this work approved by the Commission.

Ms. Couillard stated so this is a new program for transmission right-of-way clearing. We did not have a budget item before; we did put the 2022 ask in here in our budget for next year; so this is new.

Mr. Bunch stated typically these are done on a three or four year cycle basis. It had not been done on a cyclical basis in the past so I believe they did some spot trimming here and there on the transmission right-of-way but this is really a transmission grid reliability issue associated with NERC and the National Electric Reliability Council, there are reliability requirements associated with this. So in keeping with Ms. Couillard's comments, we are implementing a cyclical trim on that transmission system now.

Commissioner Smith stated so this is a start.

Ms. Couillard stated yes.

Commissioner Smith stated okay, thank you.

Commissioner Hawes stated Ms. Couillard I have a question too actually, I think it was on 3-g. but it may have been on some others, it looks like Tetra Tech, if I have this right, they kind of look at the bids that come through and then kind of make their recommendations. Is that how that works or?

Ms. Couillard stated no.

Commissioner Conrad stated I think that was 3-f.

Ms. Couillard stated so Tetra Tech is our owner's engineer. So when we have an owner's engineer do design work for us, then we also include them in the bid evaluation. So it might be Tetra Tech, it might be Fred Wilson for transmission line, they do also provide input.

Commissioner Hawes stated okay, thank you.

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

AND

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

Chairman Holcomb stated anything else. There being no further comments he stated we need a motion to approve consent items e. and g.

Commissioner Smith stated Mr. Chairman can I make one other comment.

Chairman Holcomb stated sure.

Commissioner Smith stated I didn't pull these items, but I don't know, you know.

Chairman Holcomb stated you pulled them.

Commissioner Smith stated well, two more I didn't pull, b. and c. And it appears that we were able to save like \$300,000, does that sound about right? Based upon what it was approved for and what the bids came in. I'm just kind of, it's a compliment that we saved \$300,000.

Ms. Couillard stated thank you.

Chairman Holcomb commented just saw a unicorn, you got a compliment.

Ms. Couillard stated we try.

Chairman Holcomb then stated to Commissioner Smith I appreciate you pointing that out.

Commissioner Conrad stated so you need a motion to approve e. and g.?

Chairman Holcomb confirmed.

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

Commissioner Smith seconded the motion.

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

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

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

Chairman Holcomb stated okay, at this time we are going to, I need a little help here on...

Mr. Bunch stated on General Manager’s Report?

Chairman Holcomb stated no, we said we were going to handle the public hearings after the consent items. Or do you want to do this first and then..?

Mr. Bunch stated Mr. Cloud you’re shaking your head yes that you would like to do it.

Mr. Cloud stated yes, you can do it now, they’re public hearings and I guess the best way to do it would be to announce the Commission is now going to hold a Preliminary Public Hearing on proposed revisions to the Commission’s electric service rates and miscellaneous service fees in the nature of increases. And Mr. Chairman it would be appropriate to announce the meeting open by roll call.

Chairman Holcomb stated all right, with that said we’re going to open that meeting (public hearing) and Mrs. Simmons would please call the roll.

Upon completion of the roll call it was confirmed all of the Commissioners remained in attendance as listed under the roll call taken to commence this Regular U.C. Meeting.

Mr. Cloud stated the next item that would take place is the reading of the title and the resolution. The why behind this is also the why you have two separate hearings and your procedures for rule making. Under section 180.136 Florida Statutes, also known as the “Bill Stuffer Act”, there is a requirement that utility rates be adopted as if by ordinance. Because you’re a political subdivision, you’re not a City Commission or County Commission you take quasi-legislative action by resolution not ordinance. So we’ve prepared a resolution but as with the adoption procedure for municipal ordinances, you have two hearings and at least 10 days notice prior to the second hearing. And you actually have notice of both hearings, so you go above and beyond the requirements of state law and that’s the reason for the reading of the title. Which is Resolution No. 2021-07, a resolution of the Utilities Commission, City of New Smyrna Beach, Florida, modifying rates, charges and fees related to electric service, providing findings, providing for severability, conflicts and an effective date.

Mr. Cloud continued, and you would ask if there’s anyone in the audience who wishes to make any comment regarding the resolution at this time.

Chairman Holcomb stated I’d like to open that up for public participation, if any of you would like to address the Commission on that, feel free to walk up. No one came forward and Chairman Holcomb stated if no one, then we’ll close that section.

Mr. Cloud stated yes, and then now you can take a vote of you know temporary passage of the resolution to the next hearing because the final adoption would take place at the second hearing, but that would be the appropriate action to take at this time.

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

Chairman Holcomb requested Mrs. Simmons to take a roll call on the temporary approval to the next meeting.

Mr. Cloud stated you need a motion and a second.

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

Commissioner Hawes stated second.

Chairman Holcomb requested Mrs. Simmons to call the roll.

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

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

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

Mr. Cloud stated so now would be the time of the opening of the preliminary public hearing of the Utilities Commission, City of New Smyrna Beach, Florida, regarding proposed revisions to the water, irrigation, wastewater and reclaimed water service rates and miscellaneous service fees.

Chairman Holcomb stated and we’ll call the roll on that right.

Mr. Cloud stated yes.

Upon completion of the roll call it was confirmed all of the Commissioners remained in attendance as in the preliminary public hearing no. 1 and as listed under the roll call taken to commence this Regular U.C. Meeting.

Mr. Cloud stated all right, Resolution No. 2021-06, a Resolution of the Utilities Commission, City of New Smyrna Beach, Florida, modifying rates, charges, and fees related to water, wastewater, and reclaimed water service providing findings, providing for severability, conflicts and an effective date. And I just want to point out for the record I believe there will be a minor change, though important, in section 15, which will clarify the resolution controls over the summary sheets. That is because the legislative act of this Commission always controls over any other document when it comes to rate setting. And so with that clarification, now would be an appropriate time to open the public hearing, you’ve opened it, to see if there’s any public comment regarding the resolution.

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

Chairman Holcomb stated at this point I’d like to open the floor for any public comment, anybody feel free to come forward to address the Commission at this time. There being none, he stated okay, and we’ll close that section.

Mr. Cloud stated yes.

Chairman Holcomb stated and now I need a motion to temporarily approve the item.

Mr. Cloud interjected the resolution, yes sir.

Chairman Holcomb reiterated the resolution.

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

Commissioner Davenport stated second.

Chairman Holcomb requested Mrs. Simmons to call the roll.

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

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

Mr. Cloud stated and that concludes the two preliminary public hearings.

Chairman Holcomb stated okay, is there anything I need to do to close those?

Mr. Cloud stated you did, you closed the hearings and you took the action, and I was just...

Chairman Holcomb then added just checking, all right, fair enough.

(4) General Manager’s Report:

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

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

(4-a) Financial Status – June 2021:

Mr. Chavez addressed the Commission by stating good afternoon and proceeded to the first slide of his presentation entitled “June 2021 Financial Performance”. Then stated for June

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

2021 the fiscal year to date we have a change of net assets of approximately \$1.6 million. That's driven by the increased revenue, and this is a comparison of year over year. Increased revenue really due to two things – prior year to date we had the fuel adjustment charge suspension that was valued at approximately \$1.6 million. Last year's revenue was \$1.6 million lower and this time we're status quo in the sense that we did not have a two-month suspension because of COVID in the prior year. Plus we also had incremental revenue from reclaimed and water usage. That's offset by increased operating expenses and higher debt expense, but we'll go through that a little further when I get to the waterfall slides, the two of them.

Mr. Chavez continued, on the capital expenditures side, we're at \$12 million year to date - \$6.9 million in major projects and \$5.1 million in annual projects. On the major projects spend we've got generator replacements, Smyrna Substation, 5<sup>th</sup> Street and Barracuda Bridge relocations. So we are executing on our projects, we continue to do that, right now our full year forecast we're \$15 to \$16 million, but we are aggressively executing our work. On the annual projects' side our normal pole inspection and replacement, potable water meter installations, new electric overhead and underground extensions. Those continued and those are the same work we do month over month and year over year.

Mr. Chavez went to the next slide and stated the first one is the operating income line, so you'll see last year, June year to date, \$1.9 million of a loss. That reflected of course the lower revenue because we had the two-month fuel charge suspension and then you'll see there to the right \$1.6 million, and to the right of that, the green one, we have incremental reclaimed and water, just driven by usage and the hotter weather of course. And then some of the items that we've got – increased depreciation and amortization, net purchased power, slightly lower this period, and then operating expense increase. On the operating expense side that's the vegetation management that we've had incrementally but as we start to compare fiscal year 2022 to this year, you'll start to even out. And per Commissioner Smith's earlier comment, the transmission right of way is separate from the normal vegetation management, so Cassadaga line and a number of these other ones, that's transmission right of way which is different than the vegetation management that we had been talking about earlier this year.

Commissioner Smith commented and thanks for clarifying that.

Mr. Chavez went to the next slide and stated the change in net assets, so this goes to the full bottom line, goes past the operating income / loss. On this one we have the additional, slightly positive on the net interest income and debt expense. Last year's financials we had the one-time charge related to the bond issuance. We don't have that this year so that's actually turned in that regard because this year we don't have approximately \$800,000 of additional expense related to that. And then on the capital contributions side, slightly lower. When you compare FY2020 to FY2019, it really is on timing of the developments, but in the General Manager's Report the detail, Ms. Couillard and her team have come up with a looking forward on the number of lots and what they expect for the balance of the year. He then paused and offered to answer any questions at this point.

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

There being none, Mr. Chavez went to the next slide and topic, key performance indicators (KPI) update. He then requested to go forward two more slides and stated we're green on this slide and definitely green on the customer service and I'll go into further detail on this slide. Safety and risk from the key performance, no OSHA incidents in June. Fiscal year to date year end we expect to be green. On the safety and risk side, so this is the trend that we've discussed for a couple of months now, but there's definitely an aggressive action plan taken by us to ensure, to minimize the number of preventable motor vehicle accidents or PMVA's. So we're red for fiscal year to date and more than likely will be red at fiscal year end. And really most of these are driven by the backing incidents. So we've definitely, John DeFries and Britney Beck, have come up with working with each of the Directors, but the biggest thing is defensive driving training secured from an outside third party, that will be held in July and August. But there was already two training days the week of July 19<sup>th</sup> and the vehicle safety rule book that reinforces the requirements when backing; ideally to take this trend back down. Now there's definitely transparency throughout the organization as it relates to folks running into issues and being more forthcoming than would have been previously in the past.

Mr. Chavez continued and stated electric reliability side, when we talk about SAIFI, which is really the frequency or the average number of interruptions, it was high for the month – .30 based on 9,000 customer interruptions, and 3,000 of those 9,000 were related to line 16. As part of what Ms. Couillard discussed earlier, we are going to get to line 16 and trim, which is one of the worse performing feeders. We will get those trimmed up to hopefully bring that down. On the SAIDI side or the duration, that is green because we're typically very fast around restoring power (sic CAIDI); so that's green and we don't expect issues at year end. The duration (SAIDI) was green for June despite three feeder outages. On the restoration side (CAIDI) it's green for the month year to date and year end. Water Resources, consistent with past months, green for the year and year end. And then Customer Service metrics, green for the month, as well as to be expected green at year end.

Mr. Chavez went to the next slide and stated, we track the accounts pulled for disconnection. There's typically triple digit in the sense of a couple of hundred, for example in June it was 256 accounts pulled for disconnection but in reality, the majority of those don't actually get pulled (disconnected). The ones that due get pulled for disconnection, the majority of those then get reconnected – in essence the customer does what they need to do to get them back in service, get them paid up and back to be reconnected. The second bullet there, so right now we've had the best performance in the last 12 months on our account receivable balances. We are at almost 98% within current, so the majority of our account receivables are less than 30 days old which is great for any business; reiterated and that is the best for the last 12 months. On the billing and collections performance with meter reading and the estimated bills, first-time meter reads were in the 98%. So when we go out there and either its ERT'd, meaning drive-by or walking these routes, the majority, over 98% are read on the first time. On Materials Management, purchase order days are green. On the H.R. side, we're under budget by nine positions and we're actively recruiting for five. So the open positions, Electrical Engineer, the Director of Electric was hired, Supervisor, Substation/Relay and the I.T. Manager. But overall we're getting the positions that we need, the critical ones and getting those filled. On the I.T. side, the cyber security participation by the employees has definitely taken a step up so that's just reinforcement from the team to our direct reports and down to

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

continue on that. And then our overall score, our organizational risk score as it relates to cyber security, we remain low on that risk profile. And I believe in your KPI deck, it's color coded, so you know red is towards the top and lower green, if not just slightly past green, but still very low compared to our peers. Mr. Chavez concluded by stating unless there's any questions, that's everything I had.

Chairman Holcomb stated do any of the Commissioners have any questions for Mr. Chavez?

There being none, Mr. Chavez stated thank you.

Mr. Bunch stated thanks to Mr. Chavez and added good month, good year to date.

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

Mr. Bunch then stated so just a couple of quick announcements, we had in the last month, it's kind of unusual in one month we have two folks at this level joining us, but two new Directors. I'll announce them one at a time, ask that they stand up, and like the other Directors here today they'll have ample time in front of the Commission. Most recently Mr. Vernon Steele joined us, Mr. Steele if you could stand up and give a wave. Mr. Steele previously worked at Florida Power & Light, he was a regional manager of Substation & Transmission. He started his career in a Tennessee municipality, so he grew up in the municipal electric world and got degrees in electrical engineering and a MBA from the University of Tennessee before moving to Florida about 12 or 13 years ago and starting work at FPL. He's a local resident from Deland and he started with us a couple of weeks ago, so Mr. Steele welcome aboard. And he by the way took the role previously held by Mike Mines, so those of you that have been around for a while, that was vacated by Mr. Mines. So we had several months of no one in that role while we were doing search, internal and external interviews, that Ms. Beck also helped me with.

Mr. Bunch then stated so next, in the back to the right, my right, we have John McMurray – Mr. McMurray say hi. So Mr. McMurray joined us about three weeks ago and although a life-time resident and native of Florida, for the prior couple of years had been up in North Carolina and he was Vice President of Energy Delivery at Energy United. Prior to that he spent his career in the municipal and coop. electric world in Florida and earlier in his career at Florida Power & Light as well. So Mr. McMurray is a mechanical engineer from the University of Florida, also has a MBA and is in the role of Director of Strategic Programs. So all of our modernization initiatives, projects, systems, technology investments, he's going to be managing those projects, helping us execute and try to get all of this stuff done in a timely manner. So all the things we've said we want to do on behalf of our customers in the community in terms of improving the business and systems, we'll be able to do that. So those are the two new folks that joined us in the last month, so Mr. Steele and Mr. McMurray thank you and welcome aboard. That's all I have Chairman.

Chairman Holcomb stated okay, welcome aboard both of you, glad to have you here.

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

Chairman Holcomb then stated at this time, Mr. Cloud anything that you would like to address with the Commission?

Mr. Cloud stated well the only thing that I'd like to update you on would be the Williamson Boulevard agreement which we're supposed to have a final version of in August. And at that point I think we'll be pretty close to having something we can bring to you next month; and that's it.

Chairman Holcomb stated that's good to hear.

(6) Old Business:

Chairman Holcomb then stated, any Old Business?

Mr. Bunch stated I have no other items of Old Business.

(7) New Business:

Chairman Holcomb stated, and then New Business.

Mr. Bunch stated okay, I'll ask Ms. Beck to come up and talk about healthcare insurance renewals for us.

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

Ms. Beck addressed the Commission and stated, so I have for you today, fiscal year 2022 healthcare insurance renewals. I'm going to start with all of our other lines of coverage and then come back to major medical. So our dental carrier is going to remain the same with a 4% renewal. They originally came back at 12%. You'd be surprised at how popular our dental coverage is, our employees like their nice teeth. So claims are up there, which is fine, we were able to negotiate that down to 4%. So in better terms when you're talking dollars and cents, you're looking at between \$0.84 a month to \$6.00 a month is the actual increase on that. Our vision, through EyeMed was a zero percent renewal and they gave us a rate guarantee until 2024. Our supplemental coverage through Colonial remains the same and there's no renewals for existing coverage. How that works is for the life of your policy your rate stays the same unless you make any changes. For basic life and AD&D, our current carrier, we're still within a rate renewal, or rate guarantee, so there's a zero percent renewal for this year. As well as short term and long term disabilities, a zero percent, we're still within a rate guarantee. And our flexible spending account, through Basic who is our current carrier, has a zero percent renewal with a rate guarantee through this year.

Ms. Beck continued, so I want to go over medical and just give a bit of a background. Last year when I was up here talking about major medical, at that time we had a renewal of 19% and if you'll recall we did a cap for this year at 20% because our claims were very high. And

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

we projected that those claims would remain high through that fiscal year. So we wanted to protect our employees and their selves from a very high renewal this year. So of course, FHC came back with their original renewal at the cap of 20%, which was expected. We were able to negotiate that down to 18%. But then we did a little bit of tweaking on our HMO plan and the details of that are in your packet, but its really more on the hospital and emergency services. So those services you hope employees don't need to use anyway, right, so they're going to impact the least amount of people as possible. And so with a few tweaks to that we were able to get the HMO plan renewal down to 13% from 18%. So we have an overall renewal and medical of 15%. Last year our medical loss ratio or what we call a MLR, which is basically your ratio claims costs to premiums paid in, was about 126%; very high. So that means that FHC paid out 26% more in claims than we paid them in premiums. Which is the reason for the higher renewal, so that they could make that up. In December we were down to 117% and now we're down to 104%, so you can see we are going down, we have a downward trend which is very positive. So we hope that we remain in that downward trend and then can start to see an evening out of renewals for major medical next fiscal year.

Ms. Beck continued and stated, so I did give a few examples of these cost increases to employees. Again when you're talking about percentages versus the dollars, they're two different things of course. So our average across the board, and we have two plans, employees are in different plans across the board, and then of course based on how long they've worked for us and their tenure depends on how much we pay toward their dependent coverage. But the average increase to employees is about \$50 a month and then of course that is reduced by tax savings because these are pre-taxed premiums, so that means they're really going to see about a \$30 or \$40 per month increase. And that's on average, we have them as low as \$8 a pay of an increase, again it depends on the plan that they're on, the tier that they're on, and how long they've worked for us.

Ms. Beck then stated so tonight I have a motion to approve the continuance of our health care insurances for the fiscal year 2022 with those coverages listed in your packet, effective 10-1-2021 through 9-30-2022. And the FSA has an effective date of January 1, 2022.

Chairman Holcomb stated any questions by the Commissioners? Okay, we need a motion to approve.

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

Commissioners Smith and Conrad seconded the motion.

Chairman Holcomb requested Mrs. Simmons to call the roll.

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

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

Mr. Bunch then stated that's all we have for New Business Chairman, no other items of New Business Mr. Chairman.

Commissioner Davenport stated I'd like to ask a question.

Chairman Holcomb stated go ahead.

Commissioner Davenport stated Ms. Beck, who's our agent of record?

Ms. Beck stated PRIA.

Commissioner Davenport stated okay, thank you.

Chairman Holcomb stated anything else?

Mr. Bunch then reiterated, there are no other items of New Business Chairman.

(8) Possible Other Business – Time for Commissioners:

Chairman Holcomb stated all right, any other comments from Commissioners. Commissioner Hawes?

Commissioner Hawes stated no thank you.

Chairman Holcomb stated Commissioner Davenport?

Commissioner Davenport stated yes sir, I just wanted to give you a little feedback from the FMEA (annual conference). It was very, very informative, interesting, learned a lot. I felt really good about, adding Mrs. Keehn's leaving the room but, looking at the I.T. part of it that we went through (at the conference). We could go to different courses and different meetings and I did go to all of the meetings, it was very, very interesting. But it really gave me a better security feeling with our I.T. hearing what I was hearing from them, from what they were recommending. It seems like, correct me if I'm wrong Mr. Bunch and Mr. Chavez, but we're already doing a lot of that stuff and actually ahead of the curve aren't we?

Mr. Bunch stated yes. So Mrs. Keehn, there was an agent there from the F.B.I. I can't remember his name, but I don't think it was the gentleman that was here visiting us a couple of years ago. But we were sitting there saying just that, that you're well ahead of the basic things they were covering and because of being advanced relative to our peers, Mrs. Keehn working with FMIPA, has been the recipient of a grant for cyber monitoring which she's working with folks to get ready to put in place. So kind of another notch for Mrs. Keehn and that organization.

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

Commissioner Davenport stated so that's what, walking away I was really, really, really reassured; so thank you, it felt good. It was just very informative, thank you.

Chairman Holcomb stated it's good to hear.

Mr. Bunch stated and Commissioner Smith was also there, hopefully you got a chance, both, to get to the various report outs, presentations that you wanted to see. If there's any other questions, feel free to circle back with us.

Commissioner Smith stated I just have a comment, one of the things at the conference and I said it in there, you know the street levels' knowledge are things you know you know, things you know you don't know, and things you don't know you don't know. Well a lot of this meeting for me was that third category, some of these things I had no idea. But one of the things that impressed me was the talk about the need for rapid charging stations for the onslaught we're going to be seeing in electrical vehicles over the next few years. And I found it kind of interesting that the president of Correct Craft, I don't know if you all are familiar with Correct Craft but we had a '56 Correct Craft, but that's not what they're building today. And he is projecting that in ten years all of their boats will be electric, which is going to be impressive. And then you have, on top of that, you've got what this project is going on at Lake Nona, a vertical take-off and landing planes that are run on electricity and have a range of about 60 miles and can have the speed of around 150 mph. I'm just suggesting, and I appreciate the other Commissioners' comments, that maybe this would be a good time to do some type of joint planning effort between the Utilities Commission, the City of New Smyrna, the County, the State agencies and possibly some Federal agencies. To look into planning for the locations for these rapid charging stations. And it's going to be not just, well it's going to be residential, it's going to be commercial and it's going to be institutional. So that's just a thought I wanted to run by the Commission, as something we may look into and consider. But I think there's enough expertise in this organization and certainly we could, you know, we would get assistance from the City and the County and other agencies. And there may be grants available to do this type of joint planning effort; so it's just a suggestion.

Commissioner Hawes asked, did they talk about how those charging stations would be paid for, did they..?

Commissioner Smith stated I don't remember that part.

Mr. Bunch stated there are some Federal funds, so Ms. Beck applied and unfortunately we're not the recipient, we just found out Tuesday or Wednesday last week, for a location near I-95 and Route 44. So right now the State is building infrastructure geared towards hurricane evacuation. That said, Commissioner Smith your comment about should we, could we work with the City, the County, I think that's a good opportunity. The challenge for us is different than say the big investor-owned utilities, they go to the Public Service Commission and say we want to build 1,000 stations, FPL. They not only get the approval, they get a guaranteed rate of return on that capital investment. In our case, it's a little different, if the Commission grants the approval, we're funding it with borrowed money, either knowing that we're going to subsidize, and we've got that Charter requirement that we can't give away services for free

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

and if we're going to do it as a semi-commercial venture that we're going to have to get the dollars, the revenue funded. So that said, I think we can do that, and the City and County would be good partners to look at.

Commissioner Smith stated I would just like, you know, I appreciate what you said, and I would just like since this group, the employees here, the staff, they seem to be on the cutting edge of almost everything and this seems like a good point to be on the cutting edge of also.

Mr. Bunch stated I agree.

Commissioner Smith continued, and I think we ought to be the little place that gets it done maybe.

Mr. Bunch stated nice suggestion.

Chairman Holcomb stated the only I'll tell you on the automotive side of it is that yes, the EV wave is coming. It's an interesting process, it's wonderful to talk about as energy goes and green and all that, but when you look at the application and you look at what we're actually selling, there's obviously one manufacturer that sells quite a bit. There's not enough product going into the market I think right now to support the investment from where we sit. And there's, like if you go to Publix and you go to Home Depot, and you go to some of these places they have the little bit of infrastructure in there, and I think you know full charge takes an hour for a regular car; so there's some things that they have go up. I remember seeing this caption, this guy that bought one these cars and he said I swore to God I'd never stand in another gas line again in my life. And he was standing in line, there was this long line to go across some part and he was standing there to charge this car because it's not... When you go to the gas pump, you go to put the nozzle in it you're full and ready to go in minutes and it's not the same process and they didn't really divulge that very well when they were doing it. So you have to go through that growing pain of how do you get the charge faster, how do you get people in and out, and then how do you get the return. I remember there was a vendor that came here a couple of years ago, might have even been five or six years ago and I think they were reaching out to the community and they asked us for some help and the City, but I don't remember what we did, I don't recall, I just remember the people reaching out to me. But I just think that right now, like you know we just got our EV Jeep and it's funny because I said to my buddy in Detroit, they sent a picture of them, because when I built the new store I had to put these charging stations in, and I said finally, I've got something to plug it into. So yes, and again new products are great for us because we sell them, but I don't think they have the direction. We're headed in that direction but I don't know that its very clear on how we're going to do all this and the infrastructure for these charging stations and the time. There are some real horror stories out there, so I just think that we're in the really early, early stages to where there's enough product out there for the investment. And that's kind of like, what goes first the chicken or the egg, they're building the cars, but the customer gets caught up into how do I put power to my car, if I'm staying home, in my drive. I like the combination myself where if you run out of power you just put fuel. But the long term, long range goal I would challenge you all to go research is like I'm going to take an electric car from Florida to California and found out how your map goes so you can charge. It's interesting when you go

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

do it, you're like, you've got to, it's not the way you would think of going. It's very interesting.

Mr. Bunch stated so the one thing that we took away from that presentation and I've seen it, a similar message in others, is it's a huge opportunity for the electric business. So that's part of electrification, it's part of getting away with fossil fuels, and for us that means, I believe that presenter said 80% of the people charge at evenings at their home residences. So for us, that's money not spent at the gas pump, but money run through the electric meter. It will require investment into more electric infrastructure, so new feeders, probably new substations and things like that for sure.

Chairman Holcomb stated right.

Commissioner Davenport stated Mr. Chairman, one thing, following Commissioner Smith is they were talking about the five years how they had improved the batteries so much, the batteries were 200% to 300% better, if not more, but it was, correct me if I'm wrong but I think Amazon's production is in the next five years to be every vehicle be electric for them. And they had a really good presentation, you know that presentation lasted what, 30 minutes?

Mr. Bunch stated it might have been an hour, it was quite long.

Commissioner Davenport stated and there's some really good bullet points in there, I would love to get a copy of that, if you will, her presentation she gave, and get on some bullet points because it was very, very informative.

Mr. Bunch stated we'll have available all the presentations here shortly.

Chairman Holcomb commented but all those trucks go back to that hub.

Mr. Bunch stated right.

Chairman Holcomb continued, they're centralized at that hub, they can recharge, so you're going to route that. So that's why you start there and you work to the person that wants to go my family's from New York so if I want to go visit my family in New York and I have an electric, it's not as easy as I want to take my fleet and I knew the range was "x" and I could bring them back to the hub. Which is still good for us because we're going to provide power to the hub but it's one of those things where you want to partner with the people that are putting in the investment to their fleets and then maybe do it that way versus the general we're going to put, you know, a charging station down the road or something onsite. So it's, and I go to our meetings too and I listen to the communications of the future, it's as clear as mud. There's a great anticipation, there's an excitement, there's investment but they still have to make it make money and that's where they're at right now because there's billions of dollars being invested and the return right now is very..., it's not very good at the time.

Mr. Bunch stated yes, the one difference I think we're seeing now is the Federal mandates and legislation coming out of Washington are much more prescriptive about getting the economy

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

off of fossil fuels than in the past. Where it was more less, presented regime was more well let's let it happen over time, by the way we're reducing our carbon footprint more than anybody else in the world. And this President has said the end of your industry's going to be carbon zero by 2035 – there's very different approaches to how to get there.

Chairman Holcomb stated that's the problem and to get them all to agree to get to whatever they're going to do in place. And that's, to align all those people, and that's where, you know they're going to be incentivized, the Amazon's and whatever to go first, so you pick your poison or you pick your partner and move in that so...

Commissioner Hawes stated I do think though that Commissioner Smith you're right though, that its probably worth to somehow keeping an eye on this because...

Chairman Holcomb stated an eye, but I would just caution you investment-wise, because no matter what happens ever who say it's Amazon or UPS or whoever who it is, they're going to power their vehicles and they're all going to come back to the station that they're going to go back to, from us is going to be there's where we're going to sell the power to.

Commissioner Smith stated right.

Chairman Holcomb stated so that's the yes, but the actual just like dropping them like gas stations, that's a little different animal, liabilities, and then again like I said if you think about it an overnight charge for a car, so if you want it all the way now say like in a Tesla, it's an hour, to quick charge. So to go take that quick charge that's 24 hours a day, you only have so much availability on that quick charge. So there's a lot that has to be designed into that and that's what I'm saying because you have two different industries that have to cooperate to make this thing work.

Commissioner Smith stated well, I think maybe I've got misconstrued somewhere along the way which is not uncommon for when I make a statement, but what I'm thinking is this would be a very preliminary planning process. And really the goal would be to identify the issues, just like the issues you've raised, here are the obstacles, here's the need, you know, what issues should we be looking at now rather than five years from now to address. Because if we get behind the curve, we'll probably never catch up but I'm just thinking this is what the planning process could be with identify the issues and let's look at those issues and see are there solutions. Are they financially feasible and more in depth as far as does it make sense and what is the role of the Utilities Commission, what is the role of the City of New Smyrna, who are the players and where is the money coming from; that kind of thing.

Chairman Holcomb stated right, and like I said for us, just to give you an example of what we're learning, so I don't remember, who brought the gloves up, remember the gloves. So we got the first training lesson on, I forget what battery exchange it was, and literally the photo is one guy with a hook, one guy with the gloves, and one guy taking the battery out. I go that's, you know, to occupy that many people to just work on batteries or remove batteries. We're going through a ton of training and then the problem is you only have a couple of cars in the market so yes, you go work on it and then all of a sudden, you've got six months and you

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

don't see the car again, or eight months. And then you've got to go back, there's a lot of things that are problems on both sides that they're going to kind of work through and that's why they need to get these fleets or these organizations that can kind of come together to bridge those issues. So there's a lot, and it's interesting, but it's an opportunity.

Commissioner Hawes stated I don't know if this story makes any common sense or not but a dozen years ago, I moved or I lived in Milford, Michigan, and that's where I was before I came here. And Milford is the home of the General Motors proving grounds, kind of out on one far end, and probably I'll say a dozen years ago, of course they were experimenting with electric cars at that time. And so what they did is in downtown Milford which would be sort of like a downtown New Smyrna Beach, busy, you know restaurants and all this kind of stuff, that they put these charging stations in. And the problem was well, no one could park in them if you weren't charging your car. Well, that made other people mad because they're trying to you know, so there was just a million little, how did you pay for the charge and you know.

Chairman Holcomb stated that's what I'm saying, it's so, there's just a lot and like I said it's interesting and a great opportunity but how you get from "A" to the finish line is, however, good luck. Commissioner Conrad?

Commissioner Conrad stated and then our demographic of our typical consumer is residential and that's going to be a totally different market because that's going to be paid for by that consumer. And I don't know that there's any plan at all to charge a different rate if you're using a rapid charging station in your residential property versus the rest of your electric power and the answer is no, I don't think there is. I've been talking, because I work with a condo association, actually several of them, so I've been kind of talking with what we have to do from an infrastructure standpoint within our condominium associations to be able to provide that service to our unit owners because nobody owns a parking garage. So you can't do service residential any other way in the condominiums association and we have several thousand condominium units in this community who are ratepayers. Anyhow I want to thank you all for looking at your inner being and being lively during this meeting and getting it done and in less than an hour. Thank you very much, you all have a good week.

Chairman Holcomb stated that's it and like you said I just want to thank everybody, and this meeting is adjourned.

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