

## AGENDA ITEM 3-a

MINUTES OF REGULAR MEETING OF THE UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA, HELD MONDAY, JUNE 22, 2020, AT 3:00 P.M., AT 200 CANAL STREET, NEW SMYRNA BEACH, FLORIDA  
*(NOTE – DUE TO THE CORONAVIRUS/COVID-19 DECLARED EMERGENCY THIS REGULAR U.C. MEETING WAS HELD TELEPHONICALLY – VIA WEBEX MTG. NO 132 522 7418)*

### 6-22-20 Webex Meeting Instructions:

Chairman Biedenbach welcomed all to the meeting and indicated Mrs. Pitcher, meeting facilitator, would be providing instructions to the people who are trying to chime in or call in, etc.

Mrs. Pitcher stated good afternoon, this open meeting of the Utilities Commission, New Smyrna Beach, is being conducted remotely for the public consistent with the Governor's Executive Order 20-91, Essential Services and Activities during the COVID-19 Emergency. To mitigate the transmission of the virus and reduce risk of COVID-19 illness we have been advised to suspend public gatherings and as such, the Governor's Order suspends the requirement of the Sunshine Law to have all meetings in a publicly accessible *physical* location. Further all members of public bodies are allowed and encouraged to participate remotely. The Order, which you can find posted with agenda materials for this meeting, allows public bodies to meet entirely remotely so long as reasonable public access is afforded so that the public can follow along with the deliberations of the meeting. Although this meeting is virtual, it will accommodate public participation as usual. Only members of the public who wish to engage in the public participation segment of this meeting will be required to identify themselves. For this meeting, the Utilities Commission is convening by video conference via Webex and streaming the meeting live on Facebook. The meeting instructions are posted on the U.C.'s website identifying how the public may join and participate. Please note that recording of this meeting is in process. The agenda is posted on our website and will be presented through video during this meeting.

Mrs. Pitcher continued by stating before we proceed with the posted agenda permit me to cover some ground rules for effective and clear conduct of our business and to ensure accurate meeting minutes. For the public, participation will be moderated by the Meeting Facilitator. The Facilitator will afford public comment as follows: The Facilitator will first ask members of the public who are on the line and wish to speak to identify their names and addresses only. Please do not proceed with your comments at that time. After obtaining all names, the Facilitator will proceed by introducing each participating member one at a time. You may proceed with your comments when your name is called. Once your time is complete, please mute your line. Mrs. Pitcher then stated we had no written requests come in for this meeting.

Chairman Biedenbach thanked Mrs. Pitcher for the instructions.

### ADMINISTER OATH OF OFFICE TO RICHARD (RICK) HAWES – MAYOR OWEN

Chairman Biedenbach then stated before we start, we have the Mayor here and he is going to swear in a new Commissioner, Mr. Rick Hawes. As Mr. Hawes was going down to the podium where the Mayor was standing, Chairman Biedenbach stated this is Mayor Owen for everybody that may not know him.

ADMINISTER OATH OF OFFICE TO RICHARD (RICK) HAWES – MAYOR OWEN  
(cont.):

Mayor Owen thanked Mr. Hawes for volunteering for this position and asked him to raise his right hand for the Oath of Office and repeat after him.

After the Oath of Office was completed and forms executed and pictures obtained, Chairman Biedenbach thanked Mayor Owen for coming.

Mayor Owen then recognized Mr. and Mrs. Griffith who were in attendance and thanked Mr. Griffith for his years of service on the U.C. and the community in general; he was appreciated. And added he wished him well in maybe his last retirement or maybe not, but hopefully both he and his wife can enjoy and take some time.

6-22-20 Regular U.C. Meeting (cont.):

To formally commence the Regular U.C. Meeting, Chairman Biedenbach led in the Pledge of Allegiance and invocation.

Chairman Biedenbach then requested for a roll call to be taken. The below Commissioners, and staff members, were in attendance at this virtual meeting:

Chairman William E. Biedenbach  
Commissioner Lillian Conrad  
Commissioner James Davenport (*Participated Via Phone*)  
Commissioner Richard Hawes  
Commissioner Jack Holcomb

Others in attendance were as follows: J. Bunch, General Manager/CEO; E. Chavez, Director, Finance/ CFO; J. Couillard, Director, Engineering; M. Mines, Director, Electric Ops.; B. Pitcher, Director, Central Services; T. Beyrle, Director, System Ops.; B. Keehn, Director, Information Technology; T. West, Director, Water Resources; D. Hoover, former Director of Water Resources; E. Fisher, Communications Coordinator /RMLO; D. Simmons, Exec. Services Mgr./ Recording Secretary; General Counsel Thomas Cloud Esquire – Gray|Robinson Attorneys at Law (*Participated Via Phone*); Mayor Russ Owen (*at beginning of meeting*); Lee Griffith, Kathie Griffith, and Deb Griffith (*at beginning of meeting*); Anthony Hight plus another technician - Ant Farm Media; and a few unidentified WEBEX/call-in participants.

Chairman Biedenbach confirmed legalities surrounding existing in-person quorum of four Utilities Commissioners, due to the inability of Commissioner Davenport's audible participation (*was participating via phone but was not able to be broadcast into the room and only partial audio sustained on meeting recording*).

(1) Agenda Changes, Additions and Deletions:

Chairman Biedenbach stated while chasing the audio, he asked Mr. Bunch if there were any agenda changes additions or deletions to the agenda.

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

Mr. Bunch stated yes sir, one change, now that we have Commissioner Hawes sworn in I would like to propose that we move agenda item 8-a., the Presentation – Appreciation of Honorable Service of Mr. Griffith up to this point of the agenda so that we don't keep these fine folks waiting.

Chairman Biedenbach stated okay, we can do that. He then obtained a copy of the proposed resolution from Mrs. Simmons, requested Mr. Griffith to step forward, and then proceeded to read the resolution from the dais. At the conclusion, Chairman Biedenbach stepped down from the dais and presented a plaque to Mr. Griffith for his service as Utilities Commissioner from September 2012 to May 2020, and for his significant contributions in various official roles of the Commission including Chairman.

At the conclusion of the presentation, Mr. Bunch additionally thanked Mr. Griffith for his service and pictures were taken.

(Note to File – A formal approval of the Resolution was not conducted at this time, a motion to approve will be conducted at the next Regular U.C. Meeting on July 27, 2020.)

(2) Public Participation:

Chairman Biedenbach then proceeded and asked if there was any public participation – did anybody call in, chime in, or want in? There being none, Chairman Biedenbach closed public participation.

(3) Approval of Consent Items:

Chairman Biedenbach then stated approval of consent items and asked if any of the Commissioners wanted to pull anything from the consent agenda.

Commissioner Holcomb indicated he would like to pull consent item c.

Commissioner Davenport stated item e. Mr. Chairman.

Chairman Biedenbach confirmed pulling consent items c. and e.

Commissioner Holcomb then made a motion to approve the remaining consent items, items a., b. d. and f.; specifically approving item 3-a. Minutes of Regular U.C. Meeting held 5-26-20, approve as submitted; item 3-b. Granted and Accepted Third Party Utility Easements, ratified the acceptance of an easement granted by the City of New Smyrna Beach for the City Hall Annex Project – Phase 1, attached to the agenda item and hereby submitted to the Commission; item 3-d. Developer's Infrastructure, Capacity and Inspection Agreement – Hyatt New Smyrna Beach – Lagoon Hospitality, LLC, approved the agreement and authorized the General Manager/CEO or his designee to execute the document when contingencies are met; and item f. ITB No. 18-20 – Vegetation Management Tree Trimming, approved the award of this ITB for an annual contract to Asplundh Tree, lowest evaluated qualified bidder, to provide these services in the amount of \$775,000, with an option to extend up to three additional one year periods upon mutual agreement.

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

Commissioners Conrad and Davenport seconded this motion.

Chairman Biedenbach stated it's been moved and seconded, Mrs. Simmons call the roll please.

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

(3-c) Project Approval – Miscellaneous Sewer Improvements Project and Including Ratification of Task Authorization No. 12 to CPH, Inc.:

Chairman Biedenbach then stated Commissioner Holcomb, you're up first.

Commissioner Holcomb stated this is more of a just, again it's \$400,000, and Ms. Couillard and Mr. Chavez, I just want to follow the numbers, on the budget, on the page. We're going to bring this in, it's an adjustment to the overall project by \$100,000, it's a \$4 million project, right?

Ms. Couillard confirmed he meant the sewer, and added no, that's a brand new project.

Commissioner Holcomb stated okay, but what's the total budget going to be for the project?

Ms. Couillard stated \$400,000.

Commissioner Holcomb stated okay, and then we're going to expense that in, if I'm reading that right, and this is the new data and the new reports.

Ms. Couillard stated yes.

Commissioner Holcomb stated so we're going to bring that into the fiscal year and expense it in October 2020, November 2020, December 2020, and January of 2021, correct?

Ms. Couillard stated that's the design portion.

Commissioner Holcomb stated and I understand things can slow down and move up and can move forward, but again just following the projects and the money and how they get to the budget. And then the top line I guess, the \$425,000, on the last column in the blue where it says total FY2020-2029.

Ms. Couillard stated that's just the form.

Commissioner Holcomb stated that it's like a summary of the whole budget for the ten years.

Ms. Couillard indicated yes.

Commissioner Holcomb stated okay, so that's really what I just want to do is follow all the numbers and understand that I was reading it right and that was it. How easy was that?

(3-c) Project Approval – Miscellaneous Sewer Improvements Project and Including Ratification of Task Authorization No. 12 to CPH, Inc. (cont.):

Ms. Couillard stated that was awesome.

Commissioner Holcomb stated I appreciate the explanation; that's it, thanks.

Chairman Biedenbach then stated Commissioner Davenport?

Commissioner Davenport stated yes sir, I'd like to say something regarding c. It says here between Fifth and Sixth Street the easement along the back property lines. And that's going to go down the residential property lines, have we addressed this to all those people? Seems to me with those houses that's going to be tearing up some yards and everything. Is everyone aware of that, I'm just thinking ahead of it.

Ms. Couillard stated this will be pulled together, we always, even before starting construction, do a notification and a question and answer with all of the customers that will be impacted.

Commissioner Davenport stated okay, just making sure, thank you.

(3-e) Change Order No. 1 – Smyrna Substation Expansion Project – Team Fishel:

Commissioner Davenport stated also, regarding e., that's \$222,000 we're requesting for the change order, and it's kind of interesting to me that we have to have these, it's called the conduit tying the distribution lines to the substation and feeder exits, they're required. Was that just overlooked, the conduit; it kind of jumped out at me.

Ms. Couillard stated you are correct, when the original project went out for bid the feeder exits were not included and we discovered that and are now addressing it.

Commissioner Davenport stated okay, thank you.

Ms. Couillard added, we won't do that again.

Mr. Bunch added we also had turnovers in employees within this project, actually had an employee die about four or five months ago that started this project, he was the project manager, so there was some loss of knowledge about the scope of the project as it was in execution.

Ms. Couillard added this is the same project that was also delayed because of the permitting.

Chairman Biedenbach stated Commissioner Davenport, did you hear that explanation?

Commissioner Davenport stated that answered my question, thank you Ms. Couillard.

(3-c) Project Approval – Miscellaneous Sewer Improvements Project and Including Ratification of Task Authorization No. 12 to CPH, Inc. (cont.):

AND

(3-e) Change Order No. 1 – Smyrna Substation Expansion Project – Team Fishel (cont.):

Chairman Biedenbach stated okay, we need to approve these two items, I need a motion for approval of c. and e. please.

Commissioner Holcomb stated so moved; specifically a motion approving item 3-c. approving the Miscellaneous Sewer Improvements Project in its entirety in the amount of \$425,000 and including the ratification of Task Authorization No. 12 for associated survey work to CPH, Inc. in the amount of \$8,935.00, and authorization for the General Manager /CEO or his designee to execute all documents associated with this matter; and for item 3-e. approving Change Order No. 1 for the Smyrna Substation Expansion Project in the amount of \$222,665.80, bringing the total contract amount with Team Fishel for this project to \$4,428,977.04 and authorization for the General Manager/CEO or his designee to execute any documents associated with this matter.

Commissioner Conrad seconded the motion.

Chairman Biedenbach stated it's been moved by Commissioner Holcomb and seconded by Commissioner Conrad. Then requested Mrs. Simmons to call the roll.

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

(4) General Manager's Report:

Chairman Biedenbach stated all right, Mr. Bunch.

(4-a) Proclamation Declaring Dedication of the U.C.'s Dechlorination Building in Honor of David B. Hoover and Presentation of Plaque:

Mr. Bunch stated thank you sir, in terms of the General Manager's Report we're going to do a couple of things. First recognize a long tenured service and career of Mr. Dave Hoover today and we have a resolution (sic proclamation) for him. We can cover that and we did something unique in recognition of not just his dedicated service that he provided to the Commission during the last 39 years but because of one of the notable accomplishments of having for more than 11 years now of not disposing of any treated effluent into our river, which we're permitted to on a daily basis, we want to recognize his service with commemorating his name on that building. So Chairman Biedenbach if you would sir.

Chairman Biedenbach stated yes, and then proceeded to read the prepared Proclamation from the dais. Upon conclusion, Chairman Biedenbach and Mr. Bunch joined Mr. Hoover at the podium for presentation of a plaque for his dedicated service. A ribbon cutting and dedication event will subsequently be scheduled for the dedication of the U.C.'s dechlorination building which is located adjacent to the U.C.'s river outfall.

(Note to File – A formal approval of the Proclamation was not conducted at this time, a motion to approve will be conducted at the next Regular U.C. Meeting on July 27, 2020.)

(4-a) Proclamation Declaring Dedication of the U.C.'s Dechlorination Building in Honor of David B. Hoover and Presentation of Plaque (cont.):

Chairman Biedenbach commented to Mr. Hoover he was not happy about this at all, even though the U.C. is well covered on a replacement. He then stated congratulations and pictures were taken.

Mr. Bunch stated to Mr. Hoover, after 39 years we thank you for your service. I've only been here for a year and a half of that, but it's been a pleasure to work with you and your contributions to the Commission have been notable. Not sure if anybody's aware of this but there was a period of time where we the Commission, not the Commissioners, were going to stop the expansion of irrigation and had we done that 12 to 14 years ago we would not have been in the position today, where we wouldn't have been able to continue not discharging that treated effluent into the river. We would have had to go somewhere on the days when there was a lot of it. Mr. Hoover spoke up before the Commission probably about 2004, 2005, and that caught the attention of the Commission and they reversed that decision. One of my predecessors tried to make that happen. What I discovered about Mr. Hoover is he does the right thing, sometimes that may be making a tough decision and that was an example of one time he stepped up and said we need to do this. So Mr. Hoover, for that and all that rest of your service, I thank you.

Mr. Hoover stated thank you and asked if he could say something.

Mr. Bunch stated you may.

Mr. Hoover stated all right, this is the last time I get to address the Commission, but this is really a remarkable honor for me. I worked a couple of years in Daytona Beach at their water plant and then a couple of years in Edgewater and this is where I wanted to work because the excellence here was very noticeable as I worked in the profession. And there were a lot of people who like me worked hard and wanted to make a difference and that's particularly, even this leadership team here right now is exactly like that. Every day they're working hard for you and this community, which for me is a very special community. When I was eleven my mom and dad used to take me to Daytona Beach and Cocoa Beach, but one time my mom said we're going to go to New Smyrna. And we drove in on this little two lane road, this is back in '63, it's a while ago. Was a two lane road, there wasn't any Third Avenue bypass, where it says historic district that was it, that was the only way in. You go to U.S. 1, there was a little arrow that said, you know, this way to the beach. And then you go on Washington which had this big wrought iron red sign that said World's Safest Beach. Well being from Winter Park I had already heard of the sharks, so I mean, I don't know, but they were selling it on that. So we drove down to the North Causeway and there was the Pollution Control Plant, brand spanking new. And I saw that sign and the big anaerobic digesters, each had a big flame out of the top of them, that's how they burned methane off. And I said to my dad, this says Pollution Control Plant, that City's cool, they're cleaning the air. He said David, I don't think they're cleaning the air. But that was our old wastewater treatment plant and to have a structure associated there with my earliest memory, that's going to have my legacy on it, it's something special. So thank you all and it's been an honor and a privilege.

After applause from those in attendance, Chairman Biedenbach stated thank you Mr. Hoover, thank you very much.

(4-b) Introduction of new Director of Water Resources – Thomas West:

Mr. Bunch stated and then next, like Commissioner Hawes and Commissioner Griffith, Tom West. Mr. Hoover's successor started about three weeks ago and while he's here I thought I would give him an opportunity to introduce himself to the Commission and welcome him aboard.

Mr. West addressed the Commissioners and thanked them for a couple of minutes to introduce himself. He commented I've got pretty large shoes to fill and hopefully you all will give me the chance to do that adequately. My name is Thomas West, feel free to call me Tom, I'm the incoming Director of Water Resources. Most previously to here I was the Assistant Director of Utilities for the City of Venice Florida. Similar size, similar treatment technologies there as we have here in New Smyrna Beach. Prior to that I was with the Jefferson Parish, Louisiana Water Department, a larger water utility, about 450,000 customers that we served, the next Parish to the west of Orleans Parish. Prior to that I was with the City of Chicago, Illinois, I was Underground Construction, General Superintendent. Earlier in my career I've done a little bit of engineering consulting work, civil engineering consulting, environmental engineering consulting for a couple of years. And also worked for State government regulating water utilities, my background is civil and environmental engineering and I'm a Professional Engineer. He then offered to answer any questions.

Chairman Biedenbach stated thank you and welcome aboard.

Mr. West stated thank you very much, appreciate your time.

Mr. Bunch then commented so coming and going appears to be the theme of today, we'll stop at that, no more comings or goings; everybody else is staying.

(4-c) Financial Status – May 2020:

Mr. Bunch then stated that gets us to the financial status with Mr. Chavez.

Mr. Chavez then went to slide 2 of his presentation and stated so for May 2020, right now is our lull time of the year in the sense of we're not into the heart of the summer yet which will start of course, we've seen that with the weather. On a year to date basis we're \$800,000 (positive change) in net assets. Lower revenue and lower capital contributions versus last year. We did see a significant drop in capital contributions that impact net assets, but those are contributed capital. There's a waterfall (chart) further on that I'll go through with more detail to kind of give you a feel for the changes. On the capital expenditures side, we are right now for the month \$0.7 million, so slightly lower than for the month of April. Year to date we're at \$6.6 million, we are going to come back to you in July with the revised forecast. With the slow downs due to COVID and such we did see a significant impact to our spending. So ideally, we have a budget of \$19.9 million but we're not going to hit that. We definitely are, Ms. Couillard and I and the team, are putting in additional procedures in place to kind of help improve our forecast accuracy in the sense of the execution side of it. But this was a unique year and we are going to work on it, we know what we've got to do and we'll work to improve it. On the year to date basis, just on some capital expenditures, \$2.8 million in annual



(4-c) Financial Status – May 2020 (cont.):

projects and \$3.8 million in major projects. On the major projects we still have the Western Utility Complex, Smyrna Substation Expansion, Wastewater Systems 10 and 11, and South Riverside Force Main Replacement. So we do have a number of big projects going on, but again, we will give you a revised forecast at next month's meeting.

Mr. Chavez went to the next slide and stated this is our operational stats, similar format, no change there. So if you start at the very top, operating revenues, \$1.9 million lower than this time last year, \$1.5 million of that is really due to the over-recovery of purchased power. On the flip side you'll see purchased power in the middle of the page there, \$41.45. We're \$6.88 better (purchased power cost) than last year so that's definitely going in the positive direction. And I know that Mr. Beyrle is looking at contracts from FPL that are even going to make that look better for an extended period of time; so that will be coming shortly. On the volumes at the very bottom, you'll see electric sales 2.6% higher in usage than this time last year. On the commercial side, almost flat to last year, 0.2%. And the good thing is as we explained to the rating agencies, we still have solid year over year customer growth, we still are seeing substantial development, of course it's in residential, but we still are seeing the positive. We haven't been hit as other communities have as it relates to COVID. We do know from our peers that they have had substantial increases in late account receivables and the like. So as we've discussed in prior sessions, we've definitely kept an eye on that. I think it helps that we're unique in that regard as it relates to our growth, we're more resilient, we're not hit by the COVID-19 as other communities have been.

Mr. Chavez went to the next slide and stated this one is a little different, gives you kind of a one-page pictorial on where we're at. This is operating income, this is revenue less operating expenses gets you to operating income. It's before interest income, before other income and expenses. Just says okay how are we doing at that most controllable line item. So this time last year as I indicated we were at a \$1.2 million operating loss but that's been, that's kind of our trend, it flows with the way that our business runs. So as soon as we go into June and the hotter months, even that we're in now, and we typically then will turn, we'll be an operating profit. So what this is, it's a waterfall, we were at a \$1.2 million May 2019 operating loss, and then you've got three items that bridge you to our operating loss of May year to date currently of \$2.5 million. So we had \$442,000 decrease in operating income as it relates to purchased power, we had a \$1.5 million over recovery of purchased power, meaning that adjustment that we do because of what we charge in fuel versus our billings. Now we do have purchased power favorability of \$1 million but the net of those is a decrease in operating income related to purchased power of \$442,000. We did have a slight decrease in other revenue, all other revenue of \$400,000 and we did have an operating expense increase of \$385,000. So that bridges us to our loss right now, an operating loss level of \$2.5 million. So we are, of course, always looking at operating expenses, and we are looking at our overall as part of the rate study. We are looking at a number of items and our rates being one of those. He then stated go ahead to Commissioner Holcomb.

Commissioner Holcomb stated looking at this how much of it is..., because again I've got things in my budget now that I never thought I'd ever have in my budget. And I'm building stuff and doing things that I never thought I'd be doing; so I get it. How do we kind of come

(4-c) Financial Status – May 2020 (cont.):

out of it, you know we go through the year and we come out. So this kind of shows us how we go down but much as obviously, we don't have a solution to this issue right now. And how far do you see this and what measures are we taking to kind of.., I'm asking you to forecast for an unpredictable model. But we have to have, a. we have to be prepared and then b. is that as we start to recover how do we do that and what measures do we take to make sure that we handle our shortfalls and what's going to be carried forward. There's things that I'm doing in my business right now that I'm going to carry forward, things that are for hygiene and health, the way that we do transactions. I'm looking for less touches and technology solving a lot of those problems. What do you, is there going to be a plan to kind of move and what we're going to carry forward? Because not all, we spend it now but what do we carry forward and what are we going to do. I always try to learn from coming out of things, I've been through 9-11, I've been through 2009, you know all of these things that we've kind of gone through and it seems like going in things just show up. It's really when you start to see things that moving out of it, you know, what do we bring with us. And then bring us with you, don't just take that money and leave us kind of...

Mr. Chavez stated no, because what we're going to do is, historically April, May and the months just prior to the full-on summer, typically run at a loss; that is historically how we've been. We haven't had a rate change for several years, so what we're doing now is we're looking at all our expenses and you know in our 2021 budget we've actually put in substantial changes and adjustments on expenses to try to kind of forecast that. In the sense that we're going to try to operate as lean as we can but at the same time we're also looking at some of the technology improvements which are capital, which ideally will have a positive impact on the O&M. So those are the kind of things we're looking at, the hires, our budget for that we're going into 2021, our headcount has been adjusted. We're focusing on positions that we realistically need and in essence those positions that we do need we're going to do, but other ones we've eliminated from the budget. So those are the kind of things we're looking at, really focusing on how can we put capital to use to hopefully, ideally, reduce O&M expenses. And I think as part of the rate study that will be another key output that we would then take into consideration as well.

Commissioner Hawes stated just out of curiosity, just trying to gain some perspective on this, I know you're kind of looking back at May 2019. Can you look at other years? I mean how does this compare to other years?

Mr. Chavez stated yes, and so probably this year is a little heavier in the loss side, but typically at this May year to date in prior years it's about the same.

Commissioner Hawes stated let's just assume it continued on, not that it would, but you end up a year, pick a number \$3 million under, what does that mean?

Mr. Chavez stated so we would have to really take a harder look at some of the other operating expenses and just really to indicate, but I think at some point based on the outcome of the rate study we historically since we haven't had that, our expenses as you know go up every year just as every other entity does. So at some point we do need to look at the change

(4-c) Financial Status – May 2020 (cont.):

in rates because every year costs increase two to three percent a year, just normal escalation on it.

Mr. Bunch stated and additionally our cash on hand has gone down about \$3 million in the last three years. So if folks were looking at this really close for the last several years they would have seen a developing trend, but there was a rate increase recommended in 2012 that wasn't implemented except for one of the three water rates. So we haven't increased the electric rate since 2004 or 2005, and only... Which water rate did we increase in 2012 Mr. Hoover, was it irrigation or sewer?

Mr. Hoover responded reclaimed. (*sic, reclaimed and wastewater rates*)

Mr. Bunch then reiterated only one of the three water rates. Strategically at that time it's reflected that we were going to deter capital projects to offset the need for a rate increase but it wasn't followed up with a definitive these are the projects we're deferring and this is going to be the long term impact of the rates. It seems like we got a year or two down the road, we started spending projects and then the cash on hand started to decline.

Commissioner Hawes stated I think I may be asking a slightly different question and I may be ashamed of myself in six months once I understand it a little better, but if you did end up with a loss, \$3 million or some number, is there a capital reserve or how does that work?

Mr. Chavez stated we can have a separate meeting but in essence what we have is a Renewal and Replacement Fund. When we did the bond financial feasibility study, we do have adequate reserves as we actually just did our bond issuance but we do have enough to cover us. That Renewal and Replacement Fund was used for all expenses, O&M and Capital. Well now with the \$65 million that we just got in additional funds, the new funds, that will be solely used for capital and then we can slowly build up the R&R. So even if we did have a loss at the very end of it, we still have adequate funds and we expect to have adequate funds.

Commissioner Hawes stated yes, I kind of took a look at some numbers over the weekend, not that I understand them but that was kind of what I gathered that there was significant, I say significant, but there was enough reserve out there.

Mr. Chavez stated yes, there is.

Commissioner Holcomb stated two things I don't want to get, there's two lanes here that you're talking about and I want to make sure that when we talk about rates and we talk about borrowing \$65 million and we talk about O&M, right. So when we go back to how we're going to fund and pay, I think the first three years are long term debt reduction payment. I think it's roughly we're paying about \$5 million a year, it's going to go to \$6 million like the first three years.

Mr. Chavez stated it's a little better than that because the first eight...

Commissioner Holcomb continued, because I don't want people to say oh, you're borrowing \$65 million, to go all of a sudden because we borrowed all this money our expenses went up.

(4-c) Financial Status – May 2020 (cont.):

Mr. Holcomb continued, no, actually this has nothing to do with the money that we borrowed to improve the system, this has to do with adjusting with time. I mean if you wait, you look at our rates compared to the rest of the 33 municipalities and FPL, we're not sitting here with high rates and then overspending that money. And so I just want to make sure when people are listening to this they're not listening to \$65 million and we're going to run a \$3 million loss.

Mr. Chavez stated so there's a really good way to bifurcate it. So you have the Renewal and Replacement Fund which is available for any legal use in that regard, that's for O&M and Capital. You have the rates, well that is our revenue and that to Mr. Bunch's point has not grown since 2004 particularly in electric which is the lion's share. The \$65 million it is solely restricted for capital, that is only for capital projects, that is not a windfall of any sort to be used for anything related to O&M. But what that does give us, the opportunity is that Renewal and Replacement Fund to Mr. Bunch's point, we build up that cash reserve for the rainy day, for the hurricane and such to cover us until we have the rate study results. So that's kind of, but to your point, all clear, \$65 million is no part.

Commissioner Holcomb commented three different ways, right?

Mr. Chavez stated yes.

Commissioner Holcomb stated all right.

Mr. Chavez stated but consistent with, and this was just the way that Mr. Bunch and I looked at, this was in our prior lives, this was how we summarized results. You know I've been here just over a year, so this was, we typically were at a loss and then it starts to turn as we go into the summer. But to cover us for the longer term as the rate study is complete, that's what we have to take a look at and go from there.

Commissioner Conrad stated she had questions, adding sorry, it's from a long time ago.

Mr. Chavez stated no, it's fine.

Commissioner Conrad stated first of all I have three things. Number one, you mentioned \$10 million cash flow less which I believe has a lot to do with retirement of bonds. Number two if we look at these components for May 2020 for the year to date, would they look particularly dissimilar? And three, can you point to any of those three components in the middle that were, that had major effect from COVID?

Mr. Chavez stated so, a lot of questions there. So the \$10 million to Mr. Bunch's point, since we didn't have the rate increase, in essence that Renewal and Replacement Fund everything at the end of the day that's where it all ends up. Since we didn't do a rate increase every year that our costs increased that Renewal and Replacement Fund slowly went down. That was one of the items that the Financial Feasibility Report also confirmed was that as a responsible utility we need to build up the days on hand of cash to support operating expenses in case of an emergency. So that's one item, so that's the \$10 million. On the three components here we don't see anything per se that is specifically related to COVID because our revenues have

(4-c) Financial Status – May 2020 (cont.):

stayed fairly consistent with the weather, it's based on usage. It's usage times the rate gives you the revenue. And as we saw on the prior slide, now commercial is pretty much flat, but that mix of revenue however assists. So that's where we have the \$408,000 revenue decrease, how that mix is different that could be even though we're flat, we are lower in revenue. As far as the purchased power, as we had talked about in prior meetings we're over-recovered, we're over-recovered on a year to date basis still even with the zero, that we set it to zero, which we expected. As we start to refine that in the future we'll have less of that over-recovery, we would then get more into a position of having hopefully a net zero impact. I don't think we'll ever get there because it's always we have to charge enough in fuel and purchased power but at the same time we're always, Mr. Beyrle is always, trying to get a lower purchased power rate. So you can never be, the over-recovery and the under-recovery we're always going to be kind of right around there. And the last piece, operating expense increased a little bit, \$385,000, that is really driven by lower interest rates, so we just aren't earning, you know with the Feds dropping zero to 25 basis points, you know I looked at the line over line and it's, we're spending money of course so there's less money but then that less earnings it just took a nose dive. So hopefully that answers your questions, go ahead.

Commissioner Conrad stated the only other part of my question was how does that look year to date as opposed to just May?

Mr. Chavez stated no, this is year to date, this waterfall is year to date.

Commissioner Holcomb stated I just want to expand on that because I don't know..., Commissioner Conrad when did you come on board, five months, six months?

Commissioner Conrad stated about a year ago.

Commissioner Holcomb stated every day is Tuesday right, as we go through COVID right. So my question has always been the revenue side, do you have to increase revenue. If we're going to grow and we're going to hire people and we're going to build new buildings and all of these things. I've asked and we've had that conversation, and no one ever wants to speak of raising rates because that's just not what people want to hear. So that conversation, I think when we interviewed Mr. Bunch was part of the interview process and the revenue side and as we kind of moved forward I'm like when are going to get to that. And we added the studies that are all coming because what we want to do is we don't want to just say by the way we need "x", we want to say this is why we need it. So this conversation's been in the background for a while, and I've been like when are we going to get to the point. And if I'm not mistaken, these are all of these studies that are going to come, so when we go to the public and the ratepayers, and we say, the shareholders, we need to increase your rates, this is what the 33 municipalities are, you know, this is what everybody is, this is what the market is, this is what you're paying. This is what we're going to do for you as a shareholder and this is why we're going to have to increase it to get those revenues. So we can tell the complete story so that anybody can understand that and we've just been compiling that and I think if I'm not mistaken we were still on for December, then it got pushed and pushed but because we've identified, they have, it's not a "we" part of the work, I threw me in there. They have identified new objects, we've had personnel turnover and everything's been vetted and studies have been done. So the conversation has been because I've been asking that question, has

(4-c) Financial Status – May 2020 (cont.):

been let's tell the story, let's do the studies, let's identify it so that we don't have to come back multiple times, we can address it one time. And that's because, to your point, how does it get better, how does this waterfall get better?

Mr. Chavez stated and you bring up an excellent point, as you know being over the year plus that's exactly it, because you can't, your wages, you can't cut operating expenses to zero, we need our folks. Now that doesn't mean we aren't aggressively looking at how we operate, operationally, financially, what can we do to be as effective and as efficient as possible through utilizing technology, capital, whatever it is. Because if I can install or implement a new, either a capital result, capital tool, whatever it may be to help make our operations more efficient, that doesn't cover, that will not cover a revenue shortfall. Since you don't have a rate increase since 2004, 2005, everything goes up every year, we pay our people, on average two percent. So that's why we've been very deliberate in making sure that as an organization we're sticking within our head count because that's by far our single largest expense next to purchased power, those two things. You know we've got a great handle on purchased power, we've got a really good handle on our head count. We're going to still look at how we can do things more efficiently, but you still have the elephant in the room on rates. At some point that is going to be part of the equation. In addition, bringing us up to kind of current technology and such, that's the other one, but that's hence the studies and the impact.

Commissioner Holcomb stated and then you've got to buy it.

Mr. Chavez stated yes, that's exactly it. But that's the longer term and will be part of our plan.

Commissioner Holcomb stated I just want to give you a little back story on that because I've been with that question going sooner or later we've got to raise the rates and to the staff's point to emphasize is that they weren't comfortable going to us or the public until we had the whole story. And I actually I'm excited, if I'm not mistaken it's coming right, within 60 to 90 days, we're going to see that and everybody will have a better understanding. I definitely didn't want it getting lost between capital improvements and operating expenses.

Mr. Chavez stated and in our world they're completely separate, O&M is O&M and Capital is Capital.

Commissioner Holcomb commented I'm not worried about your world, I'm worried about the people that are going to want to string me up when I go raise the rates.

Mr. Chavez added that's a very good point, and then requested Mrs. Simmons to go to the next slide.

Chairman Biedenbach requested a moment and asked Commissioner Davenport if he had any questions on this. With no audible response, he then asked Mr. Chavez to continue.

Mr. Chavez stated so this one is another view, operating income was the previous one, this one's on net assets, so this is the bottom line on the income statement. If you look at May year to date, last year we were at about \$8.8 million, May year to date this year \$7.74 million.

(4-c) Financial Status – May 2020 (cont.):

Now in this view, the net assets view, the biggest decrease is, in this instance, the contributed capital; so we've got a decrease of \$6.6 million and the other drivers really don't change. Purchased power impact, the all other revenues decrease, the operating expenses increase and then the interest, the decrease in interest earnings is the \$266,000 on this slide. On the operating income the interest wasn't there. But on this one if you look here on the big red one, all the way to the very end, that is due to the contributed capital. Now we've looked at it, Ms. Couillard's team has looked at it, but it's just depending on the timing of these developments. When these developments finish, they transfer the assets to us, so there was no, and Ms. Couillard correct me if I'm wrong, there was no trend that you have seen particularly as it relates to these developments?

Ms. Couillard stated no there was not, just when they get done.

Mr. Chavez reiterated, but it's contributed capital.

Commissioner Holcomb stated just to give you an idea, I'm trying to build a parking lot, an expansion to my Chevy store, okay. Last July I submitted to the Army Corps of Engineers. There's no cuts into 44, it's a parking lot with lights and there's not anything that needs to be done with it, and I'm ready to go and I've been ready to go, got all my drawings done, got my design done, I'm ready to go. But I've been waiting for one year and all they're going to do is tell me how big the check is I get to write, we're going to take our time identifying that check. So when you say time I've been working on no structure, no cut to 44, to put basically a parking lot, an addition to my Chevy store, an addition to and I'm almost two years into this thing, been under contract. So whatever we can do to help that go faster I want to make sure we do because that's frustrating, I'm going to tell you that. So by the time we get here after dealing with all that, we're not real friendly. When people say time they don't understand, they think it just moves, I just want everybody to get it. And again, I still don't have, July of last year I submitted to the Army Corp of Engineers, I still don't have for my 2.8 acres comments back from them; a year.

Mr. Chavez continued and concluded by reiterating this is a waterfall based on the change in net assets. So any questions, I know we added a type of slide but you'll get used to this view. On the presentation, do you want to ask any questions? This will start to turn as we go further into the year but the overall picture will get much better once we have that all in, sort of difficult conversation around rates, but it is what it is. We need to, we can't continue like this and operating in a very tight reserve.

(4-d) Balanced Scorecard and Enterprise Metrics – May 2020:

Mr. Chavez then went to the next slide and stated all right, so on the key performance indicators, the team has done very well – we're green in almost all of our areas. So I'll just go quickly down the line, safety and risk, no OSHA, no MVA's, no 3<sup>rd</sup> party claims. Electric reliability, I know a couple of months ago we had a little bit of an issue but it's trending positively month and year to date. Water Resources, no water or wastewater breaks in May. Customer Services, over 98% of calls answered within 60 seconds. Now we know that once we reopen the lobby those numbers will come down because right now, and of course I think it's intuitive, the folks that come into the lobby, it's a steady stream but they take an

(4-d) Balanced Scorecard and Enterprise Metrics – May 2020 (cont.):

inordinate amount of more time than the folks on the phone. So these numbers are great but they will tweak, they will not be as high, but we know that it's tied directly to the time spent with folks walking in. This one's a really good one, over 99% of meters are read first time, which is great. The stats that are in the other utilities are not this high, not even close. So this is really a great effort by the team to make sure the accuracy and just trying to get it done right the first time. Materials Management, P.O.'s, so our target for under \$75k and over \$75k, they're meeting those in the sense of not taking very long to complete, they're below their target or benchmark. Human Resources, higher recruitment time but it's because we're trying to hire for specialized resources, it just takes time to find linemen and other qualified specialized resources. On the I.T. side, cyber security participation and help desk resolution remains very high. So good from an operating perspective, we're operating the way we want to be. We meet once a month to discuss where we're at and what improvements we need to make if any.

Chairman Biedenbach asked to stop Mr. Chavez for a minute and then stated you made a statement when we read a meter we read it correctly 99 point something or other percent of the time and we're way higher. What are we doing or how are we doing it that we're doing so well and the rest of these people, they can't read, they can't see, what's going on? I mean you made that statement and it got me.

Mr. Chavez stated from what I understand from the field and how it operates, sometimes you run into a meter that there's a glitch. There could be something wrong with it, it's not reading right or somehow the technology isn't picking it up. Well what they'll do is they'll do the rest of the route and come back and try to read that meter. So they'll try to get it read before they leave that zone to come back. There are some instances where we can't, cars parked on it, depending on where the meter is; but they just hold themselves to a high standard. They don't just run by and go to the next one, they want to make sure they resolve issues before they come back on those. He concluded by asking Mr. Bunch if there was anything else to add on.

Mr. Bunch stated what Mr. Chavez just described is managing the process effectively. So most utilities would issue an estimated bill when they don't get to read and our folks intervene. They'll send somebody there to get a read before they bill, they take some extra steps that a lot of utilities don't and for a little bit of effort it pays dividends, it really does. I was surprised to see the level of engagement in that process to make it right. A lot of folks just say well, we didn't get a read, just estimate the bill. Typically you'll get a 2% to 3% estimated bills and ours is down to half a percent for that effort.

Mr. Chavez stated so we had to revise a graph to show below a half of a percent.

Chairman Biedenbach stated well, thank you to the meter readers, I mean that just surprised me, that statement. Sorry, go ahead.

(4-c) Financial Status – May 2020 (cont.):

Mr. Chavez stated no, no problem. He then stated to address the specifics around COVID, I believe we talked about this a month or two ago. So we've been, ever since it started, we've been very mindful of our accounts receivable on our balances, we've taken extra steps to



(4-c) Financial Status – May 2020 (cont.):

track the accounts receivable. Making sure our folks are making the phone calls to stay ahead of it. So if there's any trends that we've identified, that we get in front of those and proactively implement corrective actions. So we just wanted to give you just kind of a high level. We utilize the collection schedule, they contact each customer that's on a disconnect by cycle. We help our customers to avoid disconnection. We explain the various ways that they can pay, they don't need to come into the lobby, they can do it electronically. If they need assistance, we work with Volusia County Human Services and other organizations. Sometimes churches and others do assist a lot of our customers, particularly during this time. And the last really is each week we're generating a list, I think we gave you an update when we did the budget which would have been a month ago. We were probably around 300,000 of potential problem accounts - right now, 543 accounts, and \$156,000. So we're managing it and keeping an eye on it, the phone calls and that extra bit of attention is paying off for us because we're avoiding a disconnect, a negative impact to the customer, and a positive impact for us to continue to get paid.

Mr. Chavez then stated and my last slide, so you know right now the fuel and purchased power adjustment is at zero for May and June. Prior to COVID and such we had \$22.68 per 1,000 kilowatts. Our proposal based on an analysis that Mr. Beyrle did looking at our numbers, we believe the most appropriate fuel and purchased power adjustment until the rate study is done is \$15.75. That \$15.75 is lower than the \$22.68 but it's not zero and it makes sense for the amount of power and then forward looking for the next several months. So what we plan to do is \$15.75 now, that is adequate enough to keep us in a good position from our reserve standpoint as it relates to fuel and purchased power. As the rate study completes, we will then come up with here's our revised purchased power adjustment. But right now \$15.75 makes sense, based on our peers, our all-in total costs, because this is only one portion of that, Mr. Beyrle could explain it better. But in comparison with FPL and others, we're below in the sense of the overall fuel and purchased power. And that's one of the agenda items that we're going to, but I thought I'd cover it now. He then offered to answer any questions.

Commissioner Hawes stated he had one, not sure it's a question. I happened to notice as I was kind of glancing through packets and things, the balanced scorecards and I thought one of your slides dealt with that. Is that a relatively new piece that you started?

Mr. Chavez stated it is, yes, and asked Mr. Bunch when it was started.

Mr. Bunch stated he believed it was last April, approximately a year or so.

Commissioner Hawes stated I have to really complement you, I don't understand each line but obviously business, and this one is no exception, the devil is always in the details. And while a number on a piece of paper can't tell you the problem always, it can certainly indicate that. And I really appreciate the fact that that information is in there. I'm sure I'll understand it as we go forward, but I appreciate the effort.

Mr. Chavez added and it's really great. I don't really recall the metrics beforehand, but these ones are really key to, safety is over all and that's why it's at the top. And then we look at really each major critical function.

(4-c) Financial Status – May 2020 (cont.):

Mr. Bunch stated we get together monthly with the Directors to review those metrics and the last was Friday. So Friday morning we got together for a couple of hours and we use that to run the business. So if we're off base for a metric, then that may mean we need to invest or pay attention to the process. And if you can't rectify the process then it requires a technology investment and we talk about what we need to do to fix things. So it's pretty much how we're running the business and the team moves in the metrics and reports out on those monthly.

Mr. Chavez stated so for example on the electric reliability, we started out, we had a few months where there were enough of them it impacted it, made us yellow and red in a couple of areas. And then slowly as we started to improve, and it's a year to date, and as we then kept those outages under control or minimized them, then it started to turn green. And yes, it is very good, and water and wastewater of course, is the breaks.

Mr. Bunch stated thank you to Mr. Chavez and requested to go back to his last slide. So Mr. Chavez' and Mr. Beyrle's recommendation is that we modify the FPPCAC from the set amount \$22.68 to \$15.75. Bear in mind this is only a component of rates, on the average residential bill that \$22.68 is out of a hundred dollar plus or minus monthly bill and this is only a portion of the overall rate. So the reason we're recommending adjusting it downward now is that we will continue to over collect and prior to zeroing that out for two months we were about \$6 million over collected. If we keep going at this pace, we're going to be far over collected by the end of the year.

Commissioner Hawes stated so you're just tightening the band.

Mr. Chavez stated yes, that's exactly it, we don't want to be, as Mr. Bunch indicated, we don't want to be as over collected because as you notice it's a direct correlation. If you see on one of the slides, right now year to date we're \$6.88 lower than last year's purchased power so hence that's why we've seen a significant uptick in our over-recovery because purchased power, is coming in so much better.

Commissioner Hawes stated do you need a motion to do that?

Mr. Bunch interjected it's not a profit, it's booked as an obligation, and it's more the customer's money, so it makes sense to do an adjustment.

Mr. Chavez answered yes to a motion but indicated he didn't know if this would be considered now.

Mr. Bunch stated yes, we would need a motion accepting the recommendation to adjust.

Chairman Biedenbach stated do you want to do it now?

(7-a) Rate Reduction – Modification to Fuel and Purchased Power Cost Adjustment Clause – (FPPCAC):

Commissioner Hawes stated I would like to move that; specifically a motion approving a modification to the fuel and purchase power cost adjustment clause to \$15.75 per 1,000 kWh,

(7-a) Rate Reduction – Modification to Fuel and Purchased Power Cost Adjustment Clause – (FPPCAC) (cont.):

effective with the first billing cycle in July, 2020 and continuing until the results of the Rate Study by Raftelis are completed and approved by the Commission.

Chairman Biedenbach stated Commissioner Hawes has recommended we go from zero where we've been for the last two months to \$15.75 from now until we...

Mr. Chavez interjected, incorporate the results of the rate study.

Chairman Biedenbach stated until we adopt the rate study. Okay, moved by Commissioner Hawes, I need a second.

Commissioner Holcomb stated second.

Commissioner Hawes then stated is it from zero or from \$22.68 to \$15.75?

Mr. Chavez stated well, it was zero for May and June for COVID and now we're saying let's go to \$15.75.

Commissioner Hawes stated okay.

Chairman Biedenbach confirmed there was no further discussion. Chairman Biedenbach asked if Commissioner Davenport was on. Commissioner Davenport responded yes sir but was inaudible in the meeting room. The Chairman then requested for a roll call vote to be taken on the motion.

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

Chairman Biedenbach stated okay, \$15.75, then asked Mr. Chavez if he had anything else.

Mr. Chavez indicated no.

Chairman Biedenbach asked if anybody had any questions for Mr. Chavez at this point. There being none, Chairman Biedenbach thanked Mr. Chavez and also Mr. Beyrle.

(4-e) Electric Feeder Level Reliability Plans (FY21-23):

Mr. Bunch stated thank you gentlemen. If I could I'm going to ask Mr. Couillard to come up and talk to us about the electric reliability improvement plans. As she's coming up I'll just remind you that last year we identified this as one of the "just do it" things as we implemented and I got approval for our Vision and Mission while we started studying water optimization and grid modernization. So Ms. Couillard's been very busy and she's going to give us some updates.

Ms. Couillard requested Ms. Simmons to go to page two on her presentation. She then stated as we spoke last month, we were just looking at a kind of level one, just do it, for our feeder reliability, for the first phase of the electric reliability improvement. So this presentation, I'm

(4-e) Electric Feeder Level Reliability Plans (FY21-23) (cont.):

going to go over the background a little bit to talk about what we're doing for level one, level two, and then show you the areas that we picked to focus on for next year as part of level one. So in 2019 we performed our first historical reliability analysis. The data analysis confirmed that we have room for improvement. We contracted with Burns and McDonnell to do a system-wide reliability improvement plan. We received that back about six weeks ago and incorporated that into what we were already doing and we have recommendations prioritized based on feeder level solutions. So what we're going to do is an entire feeder, with a whole level of work on that feeder, rather than just going to do trip savers and put them everywhere. It's easier to measure outages and impacts if we focus on the whole feeder at one time.

Chairman Biedenbach stated Ms. Couillard, when you're talking about the feeder, it's the 16 lines or the 16 circuits that we have in town.

Ms. Couillard stated yes sir.

Chairman Biedenbach stated okay, go ahead.

Ms. Couillard stated so we're proposing a three-year reliability improvement program aimed at reducing frequency. Our target is 1.0, and you'll see on our table where we actually are for each of our lines or feeders. Our CAIDI is actually in the excellent range and so we plan to maintain that. And then SAIDI is the product of SAIFI and CAIDI, so as reductions come through on SAIFI that should impact that as well. In addition while we're doing this, you know we're doing the grid mod. and the water optimization plan so we will also be incorporating anything that comes out of there into our timing on the feeder level solutions. We do have already in our budget, that we presented last week, a five-year amount for electric reliability improvements of \$2.9 million. So this work does not require a request for more money outside of our budget.

Ms. Couillard continued by stating, so we're looking at just three years right now, 2021 to 2023. The level one improvement plan, we prioritized the feeders, at least for phase one, based on reliability studies, outage data, and historical data. We are going to continuously monitor and adjust plans if need be. In addition, we will be adding sectionalizing to our feeders to reduce impacts of SAIFI on the number of customers. So there are times right now when we'll have an operation or something happen on the feeder and where our reclosers are located it will take out either the entire feeder or the majority of the feeder. So it's a large amount of folks being impacted for possibly something on a lateral or something small. So we're looking to kind of attack that first with both pole mounted reclosers and trip savers. We're also looking at reconductoring sections, so we have some sections that we've reconductored from here to here. And from here to here we've got what I call a little fuse in the middle, so we're going to fix that and make those complete. We are looking at wildlife protection, not only in our substations but on our lines. We have a lot of wildlife issues, from woodpeckers, to squirrels to raccoons to snakes, you name it we have it. So my team is looking at putting together a standard for the whole U.C., for each type of either overhead line or sectionalizer, or substation. And then you saw and approved the new vegetation management plan and we'll be using these new feeders, for next year, will be the first thing that they will work on.

(4-e) Electric Feeder Level Reliability Plans (FY21-23) (cont.):

Mr. Bunch then requested Ms. Couillard to explain the new vegetation management plan, what the U.C. will be doing going forward.

Ms. Couillard stated sure, historically we've been focusing the tree trimmers on hot spots. This is outside of like storms or work for projects. This year we went out for bid and we're looking at pricing per mile for different types of scenarios, which is consistent with what everyone around us does in the whole state of Florida. So they give us a per mile pricing and we are also assigning them an entire feeder. So it's the mains and the laterals, they're going to clear the whole thing, each feeder at a time, rather than this one's really growing and that one's really growing. And we'll also be looking to them, they have arborists and things, to give us more recommendations. But we will be in line with what the rest of the utilities, for the most part, are doing in the state of Florida.

Commissioner Holcomb stated so it's going to be more of a maintenance instead of repair type of approach?

Ms. Couillard stated yes.

Commissioner Holcomb added cheaper, I would think it would be over time.

Mr. Bunch then asked Ms. Couillard to explain how long it would take to cover the whole system.

Ms. Couillard stated so we are starting with a three-year cycle, so we are going to trim our entire system over three years.

Chairman Biedenbach stated so every three years we're going to go back to the same tree, every third year we're back at the same tree or the same line.

Ms. Couillard indicated yes, basically. And we did a survey through FMPA and I went out on the web and looked at what the IOU's are doing and they're anywhere from three to five years. And some of them are so big that they can only afford to do five years.

Ms. Couillard went to the next slide and stated so once we get our level one plan in place, we're going to start working on our level two plan and a lot of these things will come out of the grid mod. and the water optimization plans. So we'll be focusing on load transfer and feeder balancing. We're installing new feeders to take some of the load off of other feeders, we'll balance them out. And then we're going to put in what I call the sectionalizing switch. So you can automatically switch from one to the other if there's an emergency. We'll be putting in distribution automation so that we can control all these switches and reclosers and integrate into the SCADA. We are doing a complete protection and control device coordination to make sure the settings on a device at the end of the feeder doesn't trip the substation. So we're looking at our entire system and we are going standardize all our equipment and our settings as well. So it's easier for the folks in the field, when they get some where they know what to replace it with.

(4-e) Electric Feeder Level Reliability Plans (FY21-23) (cont.):

Commissioner Holcomb stated can I ask a question on that, because Mr. Mines always tells me every time I ask about a power outage he tells me I don't know what I'm talking about. I say the power's out, what more do I need to know, it's real simple lights on or off. So obviously when I'm reading through that, certain areas and certain lengths and you called out certain things, you know, not each area or each system are going to be treated the same. But for me when people say my power is out, I can say great we have this system reliability study we're doing right now and we're working through it. What should be the level, and again by area, you have the nice maps with the color, gridded out, and I'm a guy that likes to set expectations. So what would be, and I loved how you had the classifications of the different kinds of outages per area or whatever. And I think that was easy from an outsider looking in, well that makes sense, I get that. But what should I expect from this investment as a reduction in, you know what number, say a hundred outages per section. What should, after we're done with all this, everything's put in, what should I look for as a reasonable expectation of reduction in outages?

Ms. Couillard stated how we measure it is through our metrics, so SAIFI and SAIDI. The frequency number should be on average at a 1 or below. And if you look at the table on page 6, for each of our SAIFI levels, for the majority of our feeders are above 1.

Commissioner Holcomb stated but again we're attacking this for a reason.

Ms. Couillard stated exactly.

Commissioner Holcomb stated so for me to understand it and I understand better equipment, works better logically but as a level of investment versus the expectation. You know because there's certain areas in town, and I always go beachside, I always get those. If I want to drink beer I do it on the mainland, it's just the questions are easier over there. But I'd like to be able to communicate we're making this investment, we're hopefully reducing by 10%, 20%. Some of it makes sense because certain areas have longer areas and if you put certain mechanisms in to maybe not expose those people, we can shorten the areas of exposure, that makes sense to me. But I always get the question, you know, again when the power's out everybody's just mad so they don't listen real well, and I don't explain really well. So I'm trying to understand and when I get the question, a. we're making the investment, b. all the studies being done, we've identified where we believe the problems are and we believe what's causing the problems. This is what we're doing, this is what we expect to see, you know I wish I could tell you all your power's not going to go out this summer but that's not realistic. But I think by the investment we're going to make and the studies we're doing and the work that we're going to reduce it in certain areas by whatever. And you don't have to give me that answer right now but sooner or later as we're going through this. You know what I'm saying as technology or you start to understand it more or whatever, because it makes it easier for us.

Ms. Couillard stated absolutely.

Mr. Bunch stated our five year reliability chart we presented last year, maybe next month you can bring that back and show that 1.8 or 2. something average interruption per customer, how we get to that target of 1. or less. But there's a slide that I think would pretty easily tell the story for everyone.

(4-e) Electric Feeder Level Reliability Plans (FY21-23) (cont.):

Commissioner Holcomb stated right, and that's all it is, just how to explain it.

Ms. Couillard stated it is difficult.

Mr. Bunch stated instead of a bunch of data we'll show you a slide. Target is only one interruption per customer on average.

Commissioner Holcomb stated it's not a predictable outcome, I get that, but there's a level of expectation, we're making an investment to reduce your outages. And again when you say, it's funny because when you said 1.5 and 2.8 right, per customer or whatever, is than an annual number?

Mr. Bunch and Ms. Couillard stated yes.

Commissioner Holcomb stated okay, because when they talk you think their power goes out 50 times a year so when I say 1.5 to 2.8 the first thing they're going to tell me is I'm not that guy. So I need to let them know the investment is being made to reduce a percentage. So a certain, it depends on your area, because I thought it was pretty easy to understand. You had the shaded maps, you have the identifying issues, you had how many outages were identified, and then basically we're going to make an investment and our goal as a Commission would be to reduce the outages by a percent; that's all. You know what I'm saying, just for the understanding of the public.

Ms. Couillard stated oh, I get it, yes.

Commissioner Hawes stated on the chart, and I don't know if I'm looking at it the right way, but you talked about line 11, 12, 14, 25 and if I kind of go across to the SAIFI line and if you just look at the first one. So if I'm hearing that right that's 2.5 times per customer or something, and so what you'll be saying is that you want that to be one.

Ms. Couillard stated yes.

Commissioner Hawes stated so that's the improvement, you know what I mean, now this is a national number. Is that right?

Ms. Couillard stated that is right.

Commissioner Holcomb stated so, but what I like though is there's different areas and they have different problems.

Ms. Couillard stated yes, they do.

Commissioner Holcomb stated so if I'm talking to a customer from beachside, I'm talking about, I think you had about four areas outlined, we're not talking about 60, we're talking about four. And if we just grouped those four and we can send them look at this because this is where you're at, because you know again most of the really hardcore complaints come from beachside and there's a lot of issues there. So I just want to be able to say, where do you live,

(4-e) Electric Feeder Level Reliability Plans (FY21-23) (cont.):

we hope to reduce your outages by 20% or something. That's an easy statement and I can send them to the website and say you can see our plan online, this is what we have and you can look at your area. Because again, I mean you guys are trained to answer the questions and we struggle with it.

Ms. Couillard commented it's even hard for us.

Commissioner Holcomb stated people think we're not doing anything because here's what people believe from the outside, they believe that we're going to tell them a squirrel or an animal or some easy answer is why their power went out, it's not on us and we're doing nothing about it, it's just a natural thing that happened and there's nothing we can do. When actually we are doing something, we are doing a study, and we are investing money and we are trying to reduce it. And because Mr. Mines probably doesn't want those guys on the poles fixing these problems if we can buy a new switch to keep everybody safe, I've got to believe we're a safer operation if we can keep the power on. So they don't see it that way and I understand that but I just want to be able to explain it better or push them to a place and say hey, if you want to go look at your plan, these are the zones we have, this is where you live and you can look at it. Fair enough? Okay, thanks.

Ms. Couillard stated yes, and added we'll work on a number that makes sense and no, that's good, that was part of why I put those slides together.

Commissioner Holcomb stated and it was helpful.

Ms. Couillard continued, for a visual.

Commissioner Holcomb stated and it helped me 100%.

Ms. Couillard then stated so slide 5 (sic 6), gives you the five-year historical information, the affected number of customers, the average outages they saw from a frequency standpoint and we used this table to choose the four lines for the first section. So these are for next year, level one reliability. It also includes, but it's not on here, the length of the lines. So we looked at all of the aspects. It covers about 10,000 customers of our 26,000 customers, so we feel comfortable that we're going to hit it hard and fast. The first line of course is line 11, we're on page 7. So this is our S.R. 44 commercial, the alternate feed to the hospital, and then the residential area. I just put a circle so folks could zoom in and see where they're at, and just give you outage categories of what we're going to attack.

Ms. Couillard went to the next slide and stated the next one is line 12, same issue, different area. You'll see some of the outage causes are the same but you'll see there are differences between the three. And these are really long lines without a lot of sectionalizing. On the next slide, beachside, line 14, that's 26<sup>th</sup> Avenue south. A lot of outages there, weather of course because they're on the beach and then wildlife and equipment. And lastly (next slide) is the second beachside line, from 3<sup>rd</sup> Avenue south, that's line 25. And actually we added one more (next slide), thought we could balance them all. I wanted to also balance what we are attacking across the whole City, so we picked line 26. And we'll be focusing there, also a lot of long lines without much sectionalizing in here and that will help with the frequency.



(4-e) Electric Feeder Level Reliability Plans (FY21-23) (cont.):

Ms. Couillard went to the next slide and stated so for our next steps we're going to finalize our design locations for the equipment install, order materials, provide the information to the vegetation management contractor and create a monitoring and reporting procedure. And I'll put together those drawings and percentages and then we can talk about where folks can see it and get information. And then for the next two years we're going to finish looking at the rest of the lines and do the same thing, put together a plan. And then we'll be monitoring our metrics and our target is 1. Do we get there, don't we get there, why, and make adjustments on the next ones as we go.

Ms. Couillard continued and stated then for level two, we need to finalize our studies inputs and standards, also with the grid mod work. We're going to be doing load transferring, rebalancing between feeders, and distribution automation. We're going to be developing system hardening standards for the whole system, modernize our equipment standards and standardize our equipment choices. Asset upgrades for aging equipment and then selective undergrounding – other than in new developments which is a requirement. We'll develop those project plans and do the same with monitoring and reporting and also monitoring industry metrics. And then referencing the last slide, I just included a metrics definition because I get them confused sometimes too.

Commissioner Holcomb commented believe me, confuse is a very common word that I come across up here.

Ms. Couillard then offered to answer any questions.

Mr. Bunch commented, and during this period of time you will be hitting all areas.

Ms. Couillard stated yes, to some extent.

Mr. Bunch added and within the next two years you would expect to see what improvements.

Ms. Couillard stated I need a couple of months, so probably around the same time as we're doing the optimization report out and recommendation, the integrated plan, I should have them for that. In August, the week before the August Commission meeting. And then we'll be presenting the entire roadmap and recommendations to you all.

Commissioner Holcomb stated I really want to commend you, and you kind of alluded to that, the visual aids really help and the words next to it, and like I said, you've got to really simplify it for us because we're not in your world. And that made it a lot simpler, okay I get that, that's an area and I kind of understood what you were talking about with distance and kind of chopping that up. If I can take one system and put it in quarters then maybe the other three quarters don't suffer the same outage that only 25% do. So that all makes sense to me, it's easy to follow, and that's why again, visual aids and communicating are huge.

Ms. Couillard stated the way I think about it is if I was not working here and I had an issue what would I want to see.

(4-e) Electric Feeder Level Reliability Plans (FY21-23) (cont.):

Commissioner Holcomb stated right. Then added, go to lunch, take it with you and show it to them and ask can you understand what I'm saying? If they just nod yes, you're headed in the right direction; but don't ask anybody in the building. Then concluded by stating thanks, that was helpful.

Chairman Biedenbach confirmed there were no further questions from the other Commissioners. Also stated thank you to Ms. Couillard and commented we will be looking forward to your next presentation.

Mr. Bunch then stated Chairman that's all I have for the General Manager's portion; so we're on General Counsel.

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

Chairman Biedenbach stated all right, is Mr. Cloud on, is he going to make a speech?

After confirming Mr. Cloud could be heard, Chairman Biedenbach stated you're up Mr. Cloud.

Mr. Cloud stated he had three items.

ADD-ON (5-a) City Charter Update:

Mr. Cloud then indicated the first item was the charter amendment, Mr. Bunch, Chairman Biedenbach and himself attended a workshop of the City Commission last Thursday night. But of course my viewpoint was and has been if it isn't broke, don't fix it. And I don't think that was the gist of what the City Commission wanted to do so we approached it from the standpoint of giving and providing background about how other utility commissions around the state of Florida handle the conveyance of interests in real property. Everything from licenses all the way to the deed. And I outlined for them why I think the Utilities Commission has that authority with some limits, two limits to be precise. And the question kept coming up from some of the Commission, well it isn't very clear. So after a couple hours of going through this the direction that the City Commission provided was to ask me and Carrie Avallone, the City Attorney, to develop language that defines our ability to convey specific interests in property and then for property that is west of I-95 provide that in order to convey by deed any of that property there would have to be a unanimous vote of the Utilities Commission and a super majority of the City Commission. And then to add language that would ratify all of past actions of the Commission. And that is what I would suggest, what I would recommend to you is that I would prepare language, I'll try to make it as simple as possible because this is after all going to be a charter amendment that states clearly that we have the authority to convey various interests in real and personal property. And that provided however the property that is west of I-95 were we to propose to transfer fee final to some part of that property it would require the two votes. And then last, but not least, add a sentence that provides for ratification of all past acts. I think that commits the least amount of harm to the Utilities Commission and to the City Commission and to the customers. And I'd be happy to answer any questions that you may have on that item.

ADD-ON (5-a) City Charter Update (cont.):

Chairman Biedenbach asked are you going to do that for our next meeting?

Mr. Cloud indicated he didn't think that time would work, the information is supposed to go back to the City Commission on or before June 30<sup>th</sup>. So I will be working on this between now and then and of course I will be copying each of you as well as Mr. Bunch drafts and everything. But I wanted to give you some idea of what the issue was and what we are dealing with right now. I think the City Commission is being very cooperative. They're trying to respond to issues that they have considered for some time and I think we stand to gain from this experience. And I want to try and draft it so that we certainly don't lose from this experience.

Mr. Bunch stated to Mr. Cloud, you may have said it, but I had to step out for a few minutes, but could you explain the existing resolution the Commission has in place regarding the western property and when that was put in place. Because when you presented that to the City Commission they sort of listened to that and said oh, that's a good practice and how that influenced their direction in regards to the City's code.

Chairman Biedenbach stated Mr. Cloud did you hear Mr. Bunch?

Mr. Cloud stated no sir I didn't hear a word, I haven't been able to hear a word of what he's said the entire meeting.

Chairman Biedenbach stated let me rephrase, I'll put some words in his mouth. What he asked was on the resolution that the Commission did, and I believe it was back in 2010, that any conveyance of property on the 800 acres or whatever it is on the western side of 95, takes a unanimous vote and the reaction from the City when you explained that to them.

Mr. Cloud stated well, I think that the City was satisfied with that because they stopped talking about submitting it to a referendum but in place of that they wanted to have a say in that. And they talked about some of the other properties and I got them to agree to limit it to just the property west of the interstate. That's really been the, sort of the bee in the bonnet over there, I think.

Commissioner Holcomb stated to Mr. Cloud a question. Again I like the general direction that everybody is going here. You know I think I've stated this enough, we have to develop on that piece of property because there's no option "b". And I agree with the properties east, but what are you playing defense against, you're playing defense against that big piece of property. And I think the City, as big as it is and as valuable as it is to the community, I like the fact that our Commission and the City Commission would have to be in alignment. Which I would hope that they would never be (not), and to settle that, because I don't think that would make sense. But with that being stated when we had the workshop one of the things we talked about, it's a 1,000 acres we had surveyed right?

Mr. Bunch stated 952 or 953 acres.

Commissioner Holcomb stated right, so I was off by 48. So here's what I would ask, is that in the case that we do all of our capital improvement that they've approved along with our

ADD-ON (5-a) City Charter Update (cont.):

budget which they've approved, which along with the money which they've approved for us to borrow. Remember that all those three steps have happened, where they've agreed to adopt our budget, they vote on it, they agreed to the borrowing of the money. It's that if we execute our capital plan, because one of the things I brought up in the meeting was the asset management part, if we only needed, say we build exactly what we said we were going to build, it met the requirements, the City's in great shape for the next 75 to 100 years, and we had this little 25 acres, or 50 acres or 100 acres or whatever was left over, just using a number. That politics could get in the way of us recouping money on behalf of the ratepayer which would offset debt, which would offset rate. So from the asset management perspective of this, and again I don't know what in ten years it's going to be and I'm not going to be here and I do like the idea that the City and the Commission go along, which they already have unbeknownst to this charter they're trying to do, it's already happening. Is that once we completed the project or we're done with it then if there was, if we didn't need it, and I think as time goes on you don't need as much space as technology gets better. I mean everything that I do in my life now ends up being smaller, shorter, and less employees needed to achieve it because technology agrees with that; it's just the way it is. That we wouldn't be 10 or 15 years out handicapping the people that sit up here when maybe we're done, the system is completed and we're set for the next 75 years and then we're not going to have the ability to recoup that if someone were to say hey, this makes sense. So that's my only reservation, I agree with in principle but I think it'd be nice to build a little flexibility into that. You know if we didn't use it all, we completed our process and we have this massive piece of land left over that would be of value to reduce some of the debt. And remember that only to be used to reduce the debt on behalf of the ratepayer, that would make sense but not until we were completed with the project. So, like it in general, I just hope that, again, there's nothing we've done with that property that they haven't been involved with from our capital improvement plan to our budget to borrowing the money, so they are in lockstep with us. So that's my only reservation is 15 years down the road we're complete and you have this chunk of land we can't get... It's hard enough to get five people to agree on anything and now you're talking about ten, that can be pretty... So, I don't know, I'm sure, a percentage could be set, in ten years we relook at it, you know we have a ten year capital improvement plan, so at ten years we would come back and revisit maybe 10% of it or whatever it was. Or whatever, it can be a time frame, I think maybe ten or fifteen years is a very reasonable number if you're trying to play defense against selling an asset; so that's it, I just hate to see us, so, did you get that Mr. Cloud?

Mr. Cloud stated I did and there are two takeaways that I have for what you said. The first, you said that any proceeds, from any transfer, sale, or what have you would be either to reduce debt or for a system purpose meaning the proceeds are put to the benefit of the ratepayer, I don't think there will be any argument with that.

Commissioner Holcomb stated correct.

Mr. Cloud stated and then two, by making this the use of the property to the west subject to the vote of the U.C. and the C.C., City Commission, that is a whole lot less onerous than going through a referendum. So I think that is a plus and that helps us accomplish, much more easily accomplish what you just discussed.

ADD-ON (5-a) City Charter Update (cont.):

Commissioner Holcomb stated it's an answer.

Mr. Cloud stated it's the best I've got right now.

Commissioner Holcomb stated but again, from where I stand easy doesn't, I represent the Utilities Commission and I understand where they're at and so I don't have a problem with it. But like I said I don't know what's hard about in the language putting a 10 or 15 year number in there to where it would be an option. That if we got through our capital improvement plan and remember, we've met all of the things that they've agreed with, they've approved, they helped us fund, so now we're complete. If there's left over why do we want to go back and bring both boards into that when we can, if we've been, if we've done our job, we've executed the plan that they voted on every year, and they've adopted and approved. Because we've only borrowed part of the money, we haven't borrowed all of the money. So they'd have to agree to let us borrow the money, because we can't go borrow money without them anyways, but it's, you're really kind of handicapping yourself. So I don't think adding a line in there that says this is to be looked at in 10 or 15 years with an option, I don't think that's hard, we do contracts all the time. I don't think that's asking too much since everybody's worried about the people sitting up here trying to sell the property. In 10 or 15 years I promise you I will not be here so that's all I'm saying. If it's possible I think that would be a nice option, they just want to make sure that we develop what we say we're going to develop. I get that, I have no problem with that, I think that's a good move. But there's going to come a point at the end that we're going to have to be able to navigate and I don't want to handicap future commissions down the road because of some agreement people made 15 years ago hedging it one way.

Mr. Cloud stated I think that's a reasonable request, but I don't think it's going to fly. Because from the standpoint of at least two members of the Commission (City), their concern was preserving the water resources out there. So I think if we try and introduce that issue we're liable to lose the positive; that is my best judgement of it. What you say is not unreasonable but that's not what we heard from the City Commission.

Commissioner Holcomb stated you are our counsel and Mr. Bunch is the CEO and I will count on you guys to get us the best deal and we'll go from there. So that's where we're at, like I said we're on the same page, I think we're in agreement, we all want the same thing for that property out there. I just, as a ratepayer, and again we're talking about raising rates right now, we need the ability to navigate this place operationally and again that's my two cents. I'm looking at it from a business, I'm sure they're looking at it from an environmental standpoint, but you're not going to win. So either your rates go up or you sell an asset 15 years from now. So I would ask, it's free to ask, well it's not free to you but I mean you can ask and see if that expectation scares them.

Mr. Cloud stated yes sir, I will ask as you asked, I will ask.

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

Chairman Biedenbach stated all right, you said you had three Mr. Cloud, you got two more?

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

Mr. Cloud stated yes, I'll make it quick. Next month we will bring to you a request to extend the Port Orange Interconnect Agreement, I think that is a pretty simple ask. And then last, I would like to ask you to authorize us to pay the uncontested part of the request of Hypower, that's approximately \$175,000. If you would authorize us to do that, that will, we believe will put us in a better position in the litigation that is ongoing. They have finally requested it and it is finally appropriate for us to pay that, and that excludes the liquidated damages that we still claim.

Chairman Biednebach stated so you want a motion to pay Hypower \$175,000.

Mr. Cloud stated yes sir, Hypower, the authorization to pay, yes sir.

After confirming the name of the company with Mr. Bunch, Chairman Biedenbach stated okay you've heard, I need a motion to pay \$175,000 to pay Hypower.

Commissioner Hawes stated okay, then I'll make that motion. Then directed to Mr. Chavez, did you want to say something?

Chairman Biedenbach stated excuse me Mr. Chavez I didn't see you.

Mr. Chavez stated no, no that's okay. It's related to an outstanding legal issue, so yes, I mean we know we'd have to pay that.

Mr. Bunch added so this is actually for work they performed and never submitted a final bill because they were in discrepancy with their sub-contractor which resulted in this lawsuit. It's strictly for work they've done and as Mr. Cloud indicated, as we pursue the lawsuit this will put us in favorable view of whoever is presiding or adjudicating because we've done everything we should.

Chairman Biedenbach stated the motion was made by Commissioner Hawes, I need a second.

Commissioner Holcomb stated I'll second.

Chairman Biedenbach stated Commissioner Holcomb seconded, any other questions, Commissioner Davenport can you hear? Commissioner Davenport did respond yes but was inaudible in the meeting room. Chairman Biedenbach then requested Mrs. Simmons to call the role.

Commissioner Hawes motion to approve, to authorize payment in the amount of \$175,000 to Hypower for an uncontested portion of Hypower's requested payment in ongoing litigation, as requested by the U.C.'s General Counsel, then passed unanimously in a roll call vote.

Chairman Biedenbach stated do you have anything else for us solicitor?

Mr. Cloud stated no sir.

Chairman Biedenbach stated thank you very much.

(6) Old Business:

There were no Old Business items for consideration.

(7) New Business:(7-a) Rate Reduction – Modification to Fuel and Purchased Power Cost Adjustment Clause – (FPPCAC):

This item was considered and approved at the end of the presentation and discussion for the Financial Status - consent items 4-c. and 4-d. above.

The Commission approved \$15.75 per 1,000 kWh effective 1<sup>st</sup> billing cycle in July, 2020 with a planned continuance at this level until completion and approval of the Raftelis Rate Study and recommendation for a fuel over/under recovery reserve balance.

(7-b) Retirement Advisory Services (RFP 11-20):

Chairman Biedenbach then stated I believe you're up again to Mrs. Pitcher.

Mrs. Pitcher addressed the Commission and stated I have on the agenda tonight for the approval of a retirement consultant. To ensure that our employees have the best fund options for retirement investments including competitive fees, we went to bid for a retirement advisor and fiduciary who's experienced in retirement programs who can provide us with advisory and fiduciary services. We had seven bidders and from that our committee selected the top out of those seven. They recommended as advisor SageView Advisory Group, LLC. They have over 30 years of experience in the business and what they will be directed to do immediately is to negotiate lower fund fees, right away with our current providers and to result in savings immediately for our staff and their retirement accounts. Their fees are ten basis points, 0.10% of a percent of total plan assets so that's equivalent to about \$20,000 right now of our plan assets but that will be incorporated into the participant fee structure, so that will come directly from participants accounts, from the recordkeeper, not from us. So we are asking that you award the contract for retirement advisory services to SageView Advisory Group.

Chairman Biedenbach stated about how much money do they manage for our retirement funds, do you have any idea?

Mrs. Pitcher stated yes, so if they're awarded the contract, right now our plan assets are a little over \$13 million together between the two plans. (Principal and ICMA)

Chairman Biedenbach stated okay, any questions for Mrs. Pitcher? There being none, he stated I need a motion to make this happen.

Commissioner Hawes stated I'll move it – specifically a motion to award and approve Retirement Advisory Services (RFP 11-20) for UCNSB's retirement plans to SageView Advisory Group, LLC, such services effective July 1, 2020, and continue for one full year until June 30, 2020, with the possibility of three subsequent annual renewals.

(7-b) Retirement Advisory Services (RFP 11-20) (cont.):

Chairman Biedenbach stated I need a second.

Commissioner Holcomb stated I'll second.

Chairman Biedenbach stated moved and seconded, any other discussion? There being none, he requested a roll call vote.

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

(8) Possible Other Business – Time for Commissioners:

(8-a) Presentation – Appreciation of Honorable Service – Lee Griffith (U.C. Resolution No. 2020-09):

This item was moved up on the agenda, and then conducted and completed under agenda item 1. Agenda Changes, Additions and Deletions above.

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

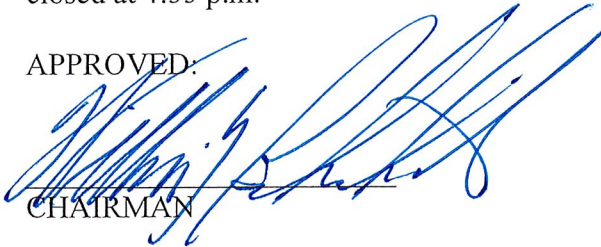
Chairman Biedenbach then commented it looks like we are finished and then requested Commissioner Hawes to tell the Commission a little bit about himself.

Commissioner Hawes stated his name and added I'm originally from Michigan, although I've lived in Illinois, in New York, California and all over the place. I've been here for the last five or six years. I know Lillian Conrad very well, Bill Biedenbach very well, and Jack Holcomb very well, and I know Buddy Davenport pretty well. I've been in and around the City and have been involved in a variety of things, Chamber of Commerce, etc., and feel I understand the City pretty well. And I'm happy to be part of this board, I'm honored to be associated and looking forward to learning actually quite a bit about this, so I look forward to sitting with folks and learning as we go.

Chairman Biedenbach thanked Commissioner Hawes for those introductory comments. Then confirmed there were no further comments from Commissioners and stated thank you all and good night.

There being no further business to come before the Commission, the Regular U.C. Meeting closed at 4:55 p.m.

APPROVED:

  
CHAIRMAN

ATTEST:

  
SECRETARY-TREASURER

These minutes were formally approved by the Utilities Commission at their July 27 -, 2020 meeting.