

**RESOLUTION NO. 1-15**

**A RESOLUTION AUTHORIZING THE WITHDRAWAL OF AN AUTHORIZED PORTION OF THE UTILITIES COMMISSION'S FUNDS FROM THE RESTRICTED SINKING FUND BANK ACCOUNT FOR DECOMMISSIONING COSTS FOR THE CRYSTAL RIVER UNIT NO. 3 (CR-3) NUCLEAR GENERATING UNIT; RESCINDING ALL RESOLUTIONS OR PORTIONS THEREOF, IN CONFLICT HERewith AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the Utilities Commission, City of New Smyrna Beach, Florida, was duly created and is validly existing under and by virtue of Chapters 67-1754 and 85-503, Laws of Florida, as the governing body of the utility system of the City of New Smyrna Beach, Florida; and,

**WHEREAS**, the Utilities Commission (U.C.) entered into a participation agreement with Duke Energy (f/k/a Florida Power Corporation and Progress Energy) and became a joint owner in the Crystal River Unit No. 3, Nuclear Generating Unit (ownership interest of 0.5608%); and,

**WHEREAS**, as a requirement of the joint ownership in this nuclear unit, the establishment of a restricted fund was required for the associated and future decommissioning of this unit, and the U.C.'s decommissioning funds were continuously segregated and restricted in separate general ledger accounts and transparently depicted in the U.C.'s annual comprehensive financial reports, and were fully funded at the required levels, and these restricted funds are currently residing in an account at the Bank of America entitled "Restricted Sinking Fund for the Decommissioning Costs CR-3 Nuclear Plant"; and,

**WHEREAS**, due to the failed CR-3 steam generator replacement project by Duke Energy which resulted in delamination, extended outage, and early retirement of this nuclear unit, a negotiated settlement agreement was approved by the affected participants; and,

**WHEREAS**, per the CR-3 settlement agreement, the joint owners are permitted to withdraw a total of \$429,560.21 from their respective decommissioning trust funds prior to final settlement closing per the Nuclear Regulatory Commission's approval of Duke Energy's exemption request regarding the use of the funds for spent fuel management activities; and,

**WHEREAS**, the \$429,560.21 is specifically a reimbursement of amounts previously billed and paid by the joint owners as operation and maintenance expenses that qualify for decommissioning fund use, and the U.C.'s reimbursement portion is \$36,947.45.

**NOW, THEREFORE, BE IT RESOLVED BY THE UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA, AS FOLLOWS:**

**SECTION 1:** The Utilities Commission does hereby approve and authorize the withdrawal of the U.C.'s CR-3 Decommissioning funds in the amount of \$36,947.45, residing in the above referenced Bank of America account. The withdrawal of the \$36,947.45 is hereby approved upon submittal of the U.C.'s CEO/General Manager and U.C.'s CFO/Director Finance written request, of which this resolution is a required part of that request thereof.

**SECTION 2:** If any section, subsection, sentence, clause, phrase, or portion of this Resolution is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions thereof.

**SECTION 3:** All Resolutions, or portions thereof, in conflict herewith are hereby rescinded and superseded.

**SECTION 4:** After adoption by the Utilities Commission, this Resolution shall take effect immediately upon passage.

THE ABOVE AND FOREGOING RESOLUTION was introduced at a regular meeting of the Utilities Commission, City of New Smyrna Beach, Florida, held on February 23, 2015, by Commissioner Bohannon, who moved its adoption, which motion was seconded by Commissioner Griffith, and upon roll call vote of the Commission was as follows:

CHAIRMAN

William E Hall

yes

VICE CHAIRMAN

Lee Griffith

YES

SECY.-TREAS.

William Bohannon

YES

ASST. SECY.-TREAS.

[Signature]

yes

COMMISSIONER

[Signature]

yes

APPROVED:

William E Hall  
CHAIRMAN

ATTEST:

[Signature]  
SECRETARY-TREASURER

S E A L

APPROVED AS TO FORM AND CORRECTNESS:

MILV L  
Utilities Commission Attorney

February 24, 2015

Bank of America

RE: Withdrawal Request from Utilities Commission, City of New Smyrna Beach  
Restricted Sinking Fund for Decommissioning Costs CR-3 Nuclear Plant  
Account No. XXXXXXXXXXXXX

Dear Sir or Madam,

This is a written request for a partial withdrawal of funds in the amount of \$36,947.45 from the above referenced account.

This account was established with the provision that funds may be withdrawn only by a special resolution of the Utilities Commission. A fully executed original of this required resolution, numbered 1-15, was approved unanimously by the Utilities Commission on February 23, 2015, agenda item 3-b, and said resolution is hereby attached for this purpose.

Upon the release of these funds from the restricted sinking fund, the \$36,947.45, please wire transfer into the Utilities Commission's Master Account – Account No. XXXXXXXXXXXXX.

Thank you for your assistance in this matter.

Sincerely,

---

William Ray Mitchum  
General Manager/CEO

---

Brian Bilinski  
Director of Finance/CFO