



J. HOLCOMB, CHAIRMAN  
J. DAVENPORT, VICE CHAIR  
L. CONRAD, SECY.-TREAS.  
R. HAWES, ASST. SECY.-TREAS.  
J. SMITH, COMMISSIONER  
T. CLOUD, GENERAL COUNSEL  
J. BUNCH, GENERAL MANAGER/CEO

AGENDA\*\*  
REGULAR MEETING OF THE  
UTILITIES COMMISSION  
CITY OF NEW SMYRNA BEACH, FLORIDA  
TO BE HELD MONDAY, OCTOBER 26, 2020,  
AT 3:00 P.M. 200 CANAL STREET, DEBERRY  
ROOM, 3<sup>RD</sup> FLOOR, NEW SMYRNA BEACH, FL

## RESULTS OF UC MEETING

[Pledge / Invocation / and Safety Message: Understanding Carbon Monoxide Poisoning - Mike Schings]

### ROLL CALL

1. **Agenda Changes, Additions and Deletions** (GM-CEO INDICATED ONE ADDITION AND ONE MINOR CHANGE: REVERSE THE ORDER OF GM REPORT ITEM 4-b., WILL TALK ABOUT FY2020 ORGANIZATIONAL ACCOMPLISHMENTS AND THEN FY2021 GOALS, AND ADDING 4-c., A SUMMARY OF THE HISTORY OF U.C. WATER AND SEWER ASSETS INVOLVING THE CITY OF EDGEWATER)
2. **Public Participation (Virtual & Limited On-Site w/ Appt.)** (CONFIRMED TOWARD END OF MEETING THAT NO PUBLIC PARTICIPATION WAS DESIRED)
- \*3. **Approval of Consent Items** (APPROVED ALL CONSENT ITEMS AS SUBMITTED)
  - a. ✓ Minutes of Regular (Reorganizational) U.C. Meeting Held 9-28-20 (*held on-site w/limited public via appts.) (U.C. and State Requirements)*)
  - b. ✓ Granted and Accepted Third Party Utility Easement – St. Pauls’ Episcopal Church – NSB / (Saint Paul’s Episcopal Church, Inc.) – J. Couillard (*U.C. and State Requirements*)
  - c. ✓ Project Approval – Annual Contract for Gravity Sanitary Sewer Rehabilitation (ITB #01-21) – J. Couillard (*U.C. and State Requirements*)
  - d. ✓ Project Approval – Glencoe Farms Road Water Main Improvements and Spruce Street Water Main Replacement – J. Couillard (*U.C. and State Requirements*)
  - e. ✓ Project Approval – System 1 Gravity Sanitary Sewer Improvements and Lift Station #27 Elimination – J. Couillard (*U.C. and State Requirements*)
  - f. ✓ “Red Flag” Identity Theft and Prevention Program – Annual Update Report – E. Chavez (*U.C. and State Requirements*)
4. **General Manager’s Report – J. Bunch**
  - a. Financial Status – September 2020 – E. Chavez (DURING THE BUSINESS PERFORMANCE RESULTS PRESENTATION, CFO INDICATED AT CLOSE OF U.C.’S FISCAL YEAR, THE SEPT. 2020 FINANCIAL STATEMENTS ARE PRELIMINARY/UNAUDITED, PENDING FYE ACCRUALS FOR O&M AND CAPITAL. PURVIS & GRAY PERFORMING THE ANNUAL AUDIT AND OCTOBER IS USED TO CAPTURE ALL ACCRUALS, TO MAKE SURE FYE ITEMS END UP IN RIGHT PERIOD. PRELIMINARY NUMBERS WILL CHANGE WITH FINAL YEAR-END ENTRIES. SEPT. YTD POSITIVE CHANGE IN NET ASSETS OF \$5.7 MILLION. CAPITAL EXPENDITURES AT ABOUT \$11.9 MILLION. AFTER ACCRUALS, APPROX. \$13 MILLION IN CAPITAL EXPENDITURES EXPECTED, CONSISTENT WITH SPEND ESTIMATE UPDATE A FEW MONTHS BACK. BRIEFLY DISCUSSED ONGOING IMPROVEMENTS FOR CAPITAL SPEND FOCUS, FORECASTING AND IMPLEMENTATION. ALSO STATED A RESOURCE IMPACT WAS EXPERIENCED DUE TO COVID-19. U.C.’S USAGE AND VOLUMES UP - CONSISTENTLY YR. OVER YR. PURCHASED POWER COSTS REMAINED DOWN, YE AT \$40.82 PER MWhr, ALMOST \$5 LESS THAN PRIOR YR. MENTIONED A CONSULTANT IS REVIEWING U.C.’S PURCHASED POWER PROCESS FOR POTENTIAL IMPROVEMENTS/REFINEMENTS. O&M EXPENSES, CONTROLLABLE OPERATIONALLY, WERE ESSENTIALLY FLAT TO PRIOR YEAR – GREAT JOB BY U.C. STAFF.



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**RESULTS OF UC MEETING (CONT.)**

**4. General Manager's Report – J. Bunch (cont.)**

a. Financial Status – September 2020 – E. Chavez (cont.) (PREL. OPERATING INCOME RESULTS FOR FY2020 - \$318,000 LOSS, EXPECTED TO INCREASE SOME AFTER FYE ACCRUALS FINALIZED. MAIN DRIVERS WERE SUSPENSION OF FUEL CHARGE DURING MAY AND JUNE AND INCREASED DEPRECIATION AND AMORTIZATION. FY2020 PREL. CHANGE IN NET ASSETS AT \$5.7 MILLION, \$7.9 MILLION LESS THAN PRIOR YEAR – A MAIN DRIVER, UNCONTROLLABLE, WAS LOWER CONTRIBUTED CAPITAL. UPDATES PROVIDED ON PENDING AT&T CONTRACT AND CITY OF EDGEWATER ASSET PURCHASE TRANSACTION. PROVIDED A BRIEF DISCUSSION RE: RECENT FL PSC RULING WHICH DID NOT RULE TO HALT UTILITY DISCONNECTIONS FOR AN ADDITIONAL 90 DAYS. UCNSB PROVIDED CUSTOMER ASSISTANCE VIA SUSPENSION OF FPPCAC, AND CEASING DISCONNECTIONS, AND LATE FEES. AND THEN IN BEST INTERESTS OF ALL, REINSTATED A RETURN TO NORMAL COLLECTION OPERATIONS ON 7-1-20, BUT ONLY AFTER ENSURING SOLUTIONS WERE REACHED, THAT REASONABLE PAYMENT ARRANGEMENTS WERE MADE WITH RESIDENTIAL AND COMMERCIAL CUSTOMERS TO AVOID DISCONNECTIONS)

b. FY2021 Strategic Goals, FY2020 Organizational Accomplishments, and Sept. 2020 Enterprise Metrics – J. Bunch (GM-CEO STATED FY2021 GOALS, INCLUDED IN AGENDA PACKAGE, WERE TO BE REVIEWED BY THE COMMISSIONERS FOR A FORMAL APPROVAL AT THE NEXT U.C. MTG. THEN PROVIDED A PRESENTATION SUMMARIZING THE FY2020 ACCOMPLISHMENTS. THE PRESENTATION INCLUDED ACCOMPLISHMENTS WITHIN VARIOUS BUSINESS AREA AND STRATEGIC EFFORTS. DISCUSSED THE EXECUTIVE SUMMARY AND THEN WITHIN THE AREAS OF THE U.C.'S VISION, MISSION AND CORE VALUES, COMMUNITY AND EXTERNAL STAKEHOLDER RELATIONSHIPS, BUSINESS AND FINANCIAL PERFORMANCE, COVID-19 RELATED CUSTOMER AND COMMUNITY EFFORTS, GRID AND WATER MODERNIZATION, WATER SYSTEMS OPTIMIZATION, ELECTRIC RELIABILITY IMPROVEMENTS, CYBERSECURITY & INFORMATION TECHNOLOGY, CAPITAL PLAN EXECUTION AND INDUSTRY COMPLIANCE. DURING THE PRESENTATION THE GM-CEO COMMENDED U.C.'S CUSTOMER SERVICE STAFF FOR THEIR EFFORTS IN ADJUSTING OPERATIONS TO MEET OUR CUSTOMERS NEEDS DURING THIS PERIOD; WAS PLEASANTLY SURPRISED IN JUST HOW WELL THE EMPLOYEES SERVED OUR CUSTOMERS THROUGHOUT THE PANDEMIC. UPON CONCLUSION, GM-CEO PERSONALLY THANKED ALL U.C. EMPLOYEES FOR RISING TO THE OCCASION AND ENSURING THE CONTINUANCE OF MISSION CRITICAL WATER & ELECTRIC SERVICES AND FOR SUCCESSFULLY COMPLETING THE NUMEROUS AFOREMENTIONED ORGANIZATIONAL ACCOMPLISHMENTS. ALL OF THESE OPERATIONAL, PLANNING, AND STRATEGIC EFFORTS WERE PERFORMED DURING A VERY BUSY YEAR WHICH THEN INCLUDED UNPRECEDENTED CHALLENGES AND IMPACTS FROM THE COVID-19 PANDEMIC ON TOP. HE WAS VERY PROUD OF THEIR PERFORMANCE) (COMMS. HAWES COMMENDED THE GM-CEO AND U.C. STAFF FOR THESE FY2020 ACCOMPLISHMENTS; BOTH AS A CUSTOMER AND AS A BOARD MEMBER) (VICE CHAIR DAVENPORT CONCURRED AND ADDITIONALLY COMMENDED STAFF FOR THE REPORTS BEING PREPARED FOR THE COMMISSION; VERY COMPREHENSIVE AND EASY TO DIGEST. ALSO EXPRESSED APPRECIATION FOR THE TIME STAFF PUTS INTO THEIR WORK AND THE TRANSPARENCY)

**ADD-ON c.** U.C. Water and Sewer Assets – City of Edgewater (GM-CEO PROVIDED HISTORICAL INFO. AND STATUS OF CITY OF EDGEWATER'S PURCHASE/ACQUISITION OF UCNSB WATER CUSTOMERS IN EDGEWATER'S SERVICE TERRITORY. THIS ASSET TRANSACTION, CONSISTING OF APPROX. 193 CUSTOMERS, WAS COMPLETED ON 10-20-20; \$150,000 RCVD. BY U.C. ON 10-19-20. THE CUSTOMERS, CURRENTLY LOCATED IN THE COUNTY, WILL REMAIN UCNSB ELECTRIC CUSTOMERS. SOCIAL MEDIA POSTS AFTER THE ACQUISITION CITED DISPLEASURE WITH CITY OF EDGEWATER'S RATES - INCLUDES 25% SURCHARGE. GM-CEO PROVIDED CITY MANAGER AND NSB MAYOR SOME INFO. RE: THIS MATTER; MAYOR POSTED INFO. ON SOCIAL MEDIA.



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**RESULTS OF UC MEETING (CONT.)**

- 5. Commission Counsel's Report – General Counsel** (GENERAL COUNSEL INDICATED THE COMMISSION WAS NOT CURRENTLY FACING ANY EXISTENTIAL CRISIS AND WITHIN THE PAST YEAR HAVE GOTTEN RID OF VARIOUS LAWSUITS (FEC RAILWAY) AND SOME ARE IN THE PROCESS OF BEING WRAPPED UP (AT&T). NEGOTIATIONS REMAIN PENDING WITH THE COUNTY ON WILLIAMSON BLVD., STILL NEGOTIATING AN ALIGNMENT THAT REMAINS BENEFICIAL TO THE U.C. EXPLAINED THE COUNTY CANNOT CONDEMN THE U.C.'S LAND AND THERE IS NO REASON THE U.C. MUST SIGN AN AGREEMENT IF COUNTY ENGINEERING STAFF IS NOT GOING TO COOPERATE. IN RELATION TO THE CITY OF NSB, INITIALLY ITEMS PROPOSED AS A CHARTER ISSUE BUT THEN BECAME ITEMS DISCUSSED WITH THE CITY COMMISSION. GENERAL COUNSEL HAS PROVIDED DRAFTS OF AN INTERLOCAL AGREEMENT TO U.C. COMMISSIONERS, WHICH HE WILL NOW PROVIDE TO THE CITY'S ATTORNEY; ADDING U.C. COMMS. SHOULD CALL HIM IF THEY HAVE ANY FURTHER QUESTIONS. ALSO BRIEFLY DISCUSSED THE U.C.'S ONGOING RATE STUDY. MENTIONED AN OPTIMIZATION STUDY AND RATE STUDY WERE TWO THINGS HE HAD INITIALLY RECOMMENDED TO THE COMMISSION. IN RELATION TO THE RATE STUDY, SPECIFIC TO CAPITAL CHARGES, BELIEVES THE NEW RATE STRUCTURE SHOULD PROVIDE THE LEAST AMOUNT OF PAIN GOING FORWARD. COMPLETION IS ON THE HORIZON, PROBABLY WITHIN THE NEXT 6-8 MONTHS, COMMS. WILL BEGIN SEEING THE STUDIES FOR THAT AND THE PAPERWORK)

(COMMS. HAWES CONFIRMED WITH THE GM-CEO THAT THE CITY COMMISSION WAS AWARE THE U.C.'S RATE STRUCTURE WAS GOING TO CHANGE)

**6. Old Business**

**7. New Business**

**8. Possible Other Business - Time for Commissioners**

(COMMS. SMITH INDICATED HE HAD TAKEN A TOUR OF THE UTILITY SYSTEM LAST THURSDAY AND WANTED TO THANK ALL UC STAFF INVOLVED. IT WAS A GREAT EXPERIENCE, VERY INFORMATIVE AND ALSO A HEARTWARMING EXPERIENCE TO SEE THE SYSTEM WAS BEING MANAGED SO WELL BY BRIGHT, DEDICATED, AND HARD-WORKING GROUP OF PEOPLE)

✓ A Check Mark Indicates Items Which Commission Approval Has Been Requested On This Agenda  
Please Note -- Most Discussion Items Will Not Have Documentation, Will Be Listed On Agenda Only

- \* Consent items to be approved as recommended or accepted as appropriate without further comments unless discussion is requested by Commissioner.
- \*\* Pursuant to Section 286.0105 of the Florida Statutes, if an individual decides to appeal any decision made by the Utilities Commission, City of New Smyrna Beach, Florida, with respect to any matter considered at a meeting or a hearing, that individual will need a record of the proceedings, and will need to ensure that a verbatim record of the proceedings is made. The transcription of such a verbatim will be provided an individual at a cost to be determined by the Utilities Commission in accordance with the full cost to reproduce such transcriptions and copies.
- \*\* In accordance with the American with Disabilities Act, persons needing special accommodations to participate in this proceeding should contact the individual or agency sending this notice as soon as possible but no later than two days prior to the proceeding at the address given on the notice.