

MINUTES OF A PRELIMINARY PUBLIC HEARING AND REGULAR MEETING OF THE UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA, HELD MONDAY, JUNE 27, 2022, AT 3:00 P.M., AT 200 CANAL STREET, NEW SMYRNA BEACH, FLORIDA

Chairman Davenport opened the Regular U.C. Meeting, called the meeting to order.

Commissioner Hawes led in the Pledge of Allegiance and Commissioner Conrad provided the invocation.

Commissioner Smith commented on his pronunciation of a word in the Pledge when younger.

Chairman Davenport stated okay, next we have a safety message from John McMurray, please, thank you.

Commissioner Conrad pointed out the Preliminary Public Hearing was next.

Preliminary Public Hearing RE: Proposed Revisions to UCNSB's Electric Service Rates for Public Street Lighting and Private Outdoor Lighting (Increases) and Proposed New Electric Service Rates for Electric Vehicle (E.V.) Charging:

Chairman Davenport apologized and then opened the Preliminary Public Hearing regarding proposed revisions to the UCNSB electric service rates for public street lighting and private outdoor lighting (increases) and proposed new electric service rates for electric vehicle (E.V.) charging. Stated, Chairman of the Commission opens the preliminary public hearing by roll call, can we get the roll call please?

A roll call was taken with all of the U.C. Commissioners in attendance as follows:

Chairman James Davenport  
Commissioner Richard Hawes  
Commissioner Lawrence Kelly, Jr.  
Commissioner James Smith  
Commissioner Lillian Conrad

Others in attendance at this time were as follows: J. Bunch, General Manager/CEO; E. Chavez, Director, Finance/ CFO; J. Couillard, Director, Engineering; T. Beyrle; Director, System Operations; M. Schings, Substation & Relay Supervisor; B. Keehn, Director, Information Technology; J. McMurray, Director, Strategic Programs; J. Grusauskas, Director, Water Resources; H. Carrizales, Manager, Human Resources; D. Wood, Customer Service Manager; M. Spellers, Sr. Help Desk Technician; L. Green, Help Desk Technician; D. Simmons, Exec. Mgr./ Recording Secretary; General Counsel Thomas Cloud, Esquire – Gray|Robinson Attorneys at Law; and John Moss and Lisa Martin, both members of the public in attendance on site.

Chairman Davenport stated okay, U.C. General Counsel reads the notice of public hearing and proposed resolution please.

Preliminary Public Hearing RE: Proposed Electric Rates (SL's & E.V. Charging) (cont.):

Mr. Cloud stated yes sir, and that would be the title of the resolution. And that title is: A Resolution of the Utilities Commission, City of New Smyrna Beach, Florida; Modifying Rates, Charges, and Fees Related to Electric Service; Providing Findings; Providing for Severability, Conflicts, and an Effective Date.

Chairman Davenport confirmed that was all, stated thank you, and then asked if there were any comments for or opposed to the proposed revisions to the UCNSB's electric service rates for public street lighting and private outdoor lighting (increases) and proposed new electric service rates for electric vehicle (E.V.) charging. Reiterated any comments, for or opposed from the public. Okay, since there's no comments in person, then confirmed no one was online either to comment. Stated, Chairman closes this preliminary public hearing, so I'm going to close this hearing, banged the gavel and stated this hearing is closed.

The preliminary public hearing closed at 3:04 p.m.

**Regular U.C. Meeting Held 6-27-22:**

Safety Message by John McMurray – “The Sun, UV Light and Your Eyes”:

Chairman Davenport stated now, the safety message and thanked Ms. Simmons.

Mr. Bunch commented it takes a village.

Chairman Davenport stated thank you Mr. McMurray, we appreciate it, just bear with me.

Mr. McMurray stated that's fine, good afternoon everybody. So I'm going to talk to you just a little bit about ultraviolet light, and the sun, and protecting your eyes. A lot of people protect your skin, they wear sunscreen but sometimes people forget about the sunglasses and protecting your eyes. I just bought mine, these are UV 400 rated sunglasses and typically you can buy them on the marketplace from \$10.00 to \$500.00. These probably cost less than \$10.00 because they're bought in bulk by the electric utility, so probably \$7.00 or something a pair. But the important thing is UV 400 blocks out UVA and UVB and that's what you're looking for if you have sunglasses. So a lot of people are exposed to the sun through surfing, boating, fishing, and then for those that are on the slopes during the wintertime there's something called snow blindness. And if you're out in the ocean or on a lake or river there's also you know the issue with pterygium, which is in the middle of the article that I submitted here. So those things you have to be cautious of, you have to make sure that you're doing the right things and focus just not on your skin but also on your eyes because you know a patch on your skin is one thing but something that happens to your eyes is something totally different. So I just wanted to..., that's the safety message because we're in the summer months here. Thank you.

Chairman Davenport stated okay Mr. McMurray, that was very informative. I was just recently on a seminar and on our break, we got in the swimming pool and I didn't have sunglasses. And I felt my eyes, and I've heard of people getting their eyes sunburned, I didn't

Safety Message by John McMurray – “The Sun, UV Light and Your Eyes” (cont.):

realize that how dangerous that was, so immediately I got thinking about it and bought a pair. So I don't know what they were rated but I'll check it when I get back home; thank you.

Roll Call:

Chairman Davenport then stated okay, next on the agenda, we need to do roll call again, Mrs. Simmons please.

A roll call was taken with all of the U.C. Commissioners in attendance as follows:

Chairman James Davenport  
Commissioner Richard Hawes  
Commissioner Lawrence Kelly, Jr.  
Commissioner James Smith  
Commissioner Lillian Conrad

Others in attendance at this time were as follows: J. Bunch, General Manager/CEO; E. Chavez, Director, Finance/ CFO; J. Couillard, Director, Engineering; T. Beyrle; Director, System Operations; M. Schings, Substation & Relay Supervisor; B. Keehn, Director, Information Technology; J. McMurray, Director, Strategic Programs; J. Grusauskas, Director, Water Resources; H. Carrizales, Manager, Human Resources; D. Wood, Customer Service Manager; M. Spellers, Sr. Help Desk Technician; L. Green, Help Desk Technician; D. Simmons, Exec. Mgr./ Recording Secretary; General Counsel Thomas Cloud, Esquire – Gray|Robinson Attorneys at Law; and John Moss and Lisa Martin, both members of the public in attendance on site.

(1) Agenda Changes, Additions and Deletions:

Chairman Davenport stated item number one on the agenda, any changes, additions or deletions, Mr. Bunch?

Mr. Bunch stated no sir.

Chairman Davenport stated okay, thank you.

(2) Public Participation:

Chairman Davenport stated number two on the agenda please, public participation. Any public participation in the audience or on the phone?

Mrs. Simmons indicated no, for the phone.

There was no public participation at this time.

(3) Approval of Consent Items:

Chairman Davenport stated okay, number 3. Approval of Consent Items, anyone want to pull anything or discuss anything Commissioners?

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

Commissioner Smith stated no sir.

Chairman Davenport stated okay, may I have a motion?

Commissioner Smith stated move for approval; specifically a motion to approve item 3-a. Minutes of Regular U.C. Meeting held 5-23-22, approve as submitted; item 3-b. Developer's Agreement – Village Center East (Collier Luna Bella Lane, LLC), approve the agreement as submitted and authorize the General Manager/CEO or his designee to execute this document when contingencies are met; item 3-c. Ratification Award – ITB #06-22 Lift Station No. 12 Replacement Project, ratify this award to Carr & Collier, Inc. in the amount of \$1,363,700.00. Previous project authorization (4-27-20, AI 3-g.) for the GM-CEO or his designee to execute all associated project documentation is ongoing; item 3-d. Ratification – Access Control Project Phase 2 – Update and Scope Expansion, ratify and approve the expanded project, as depicted in the agenda item summary, to Security 101 in the amount of \$98,873.13. Previous overall project authorization (Phase Two – 10-26-21, AI 3-k.) for the GM-CEO or his designee to execute all associated project documentation is ongoing; item 3-e. Contract Renewal – Interlocal Agreement for Fleet Fueling Services Between City of NSB and UCNSB, approve a one-year renewal of the Interlocal Agreement for Fleet Fueling Services Between the City of New Smyrna Beach, Florida and the Utilities Commission, New Smyrna Beach, Florida until March 1, 2023, and authorize the GM/CEO of his designee to execute this renewal, and if determined mutually acceptable, the remaining one-year renewal option in 2023 on behalf of UCNSB; and item 3-f. Ratification – Settlement and Mutual Release Agreement – Intercounty Engineering, Inc. (L.S. 5 Reconstruction and Rehabilitation in System 5 Project), to ratify/approve the Settlement and Mutual Release Agreement between UCNSB and Intercounty Engineering, Inc. contingent upon the receipt and clearance of the required settlement payment from Intercounty Engineering Inc. in the amount of \$125,000.00. When all contingencies have been met, UCNSB's approval date becomes the effective date of this agreement.

Chairman Davenport stated okay, second?

Commissioner Conrad stated second.

Chairman Davenport stated thank you, Mrs. Simmons call the roll please.

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

(4) General Manager's Report:

Chairman Davenport stated okay, number four, General Manager's Report, Mr. Bunch, financial status a.

Mr. Bunch stated thank you Chairman, I'd like to ask Mr. Chavez to come up and cover item 4-a., the Financial Status.

(4-a) Financial Status – May 2022:

Mr. Chavez came to the podium and stated good afternoon everybody and then proceeded to present his presentation entitled “May Financial Performance”. So just as a quick summary on the May 2022 fiscal year to date financial statements, a change in net assets of about \$2.9 million. So what we’re seeing is increased revenue, it’s offset by slightly lower electric consumption but increased purchased power of course, that offsets the revenue and operating expenses. Purchased power definitely is what we’re seeing as the biggest change but that is a function of the markets and kind of where we’re at. If you look at year over year electric consumption, we’re lower by .8%, slightly milder weather, but as you’ve seen recently in June you will start to see revenue ramp up significantly, just with the change in temperatures. Now what you do have is the purchased power, we’re at \$64.45 per megawatt hour, so that’s 24.5% greater than the prior year. Since the bulk of our purchased power is from FPL that uses nat. gas for the majority of its generating units, we’re at, nat. gas is at for the month of May of this year, \$8.14 per MMBtu versus last year of \$2.91. So for the last several years, up until the last couple, natural gas or nat. gas for short has been under \$3.00. Now just with the positioning of different geopolitical items and now with just the way the prices are going, you’ll see the similar increases with West Texas Intermediate – WTI, nat. gas. So we are keeping an eye on it, we did increase our fuel and purchased power adjustment for the same reason, but we are constantly monitoring it and trying to always obtain the best costs.

Mr. Chavez continued, now what we have on the revenue side, water consumption is 4.8%, higher in water, 3.4% in wastewater and 7.9% on reclaimed. We did get some Hurricane Dorian FEMA reimbursement, of about \$200,000, so that’s reflected in non-operating expenses; but those are good things. In summary we are monitoring revenues of course but that’s strictly a function of usage. We do have our change in rates which is helping out, but the purchased power is the one that we’re trying to keep an eye on as closely as possible. But overall, we’re still comparatively speaking to our peers and other utilities, our rates are still lower if not the lowest.

Mr. Chavez continued, capital expenditures year to date \$12.8 million, \$7.5 million in major projects and \$5.3 million in annual projects. In the major projects side, the reclaimed pond expansion, electric reliability improvement program that we’re doing, lift station 5, lift station improvements, Glencoe Water Treatment Plant improvements, so various items. On annuals, its same, gravity sewer lining, vehicles, and new business connections for electric and water.

Mr. Chavez went to the next slide and stated what I’ll do is I’ll turn it over on this slide, this is just where do we expect to be at year end as it is related to our Capital Forecast – so I’ll turn it over to Ms. Couillard.

Ms. Couillard came to the podium, stated looking at where we are in May and forecasting out, we are forecasting to come in around \$24 million, that’s both annuals and the CIP projects. What’s driving that is one, the Western Complex we had thought we would be underway digging dirt this year and when we got the estimates back for just the site prep., we put a hold on that. It was way higher than we thought it was going to be. So we’re looking at alternatives and options around that, including how do we get off of Swoope Street, with maybe not building a whole brand-new building. So that’s something Mr. Chavez and I are working with Mr. Bunch on and our consultants, so that’s \$1.7 million.

(4-a) Financial Status – May 2022 (cont.):

Chairman Davenport stated excuse me, how much was that site work that you were shocked on?

Ms. Couillard stated it was about \$14 million.

Chairman Davenport stated and what had we projected?

Ms. Couillard stated we were looking at all total, including the building, about \$8 million. So one thing that we're going to do is we're going to schedule a Workshop with the Commission and go through all of this information and talk to you about that and talk to you about the alternatives that we're looking at so that you are fully informed and we make decisions going forward about the property.

Chairman Davenport stated absolutely.

Ms. Couillard added, it's wet, like wet.

Commissioner Conrad stated how did we not know that?

Mr. Cloud stated no, they knew it, they knew it.

Ms. Couillard stated we didn't know how wet.

Chairman Davenport stated you're talking about the wetlands.

Ms. Couillard stated we didn't know it was as wet as it is, until we started surveying.

Mr. Cloud stated when they bought the property and did the appraisal, if you happen to have read the appraisals which I did, way back in the day; yes, they knew. They didn't know the extent of where the boundaries were, you know hadn't been trued up, but yes, they knew.

Chairman Davenport stated where can we get a copy of that, where can I read that appraisal?

Mr. Cloud stated I have to dig into, I don't know if Mrs. Simmons still has it, the law firm that would have had the one for UCNSB is Holland & Knight. I could probably go into our files from the other side in the eminent domain case and find those appraisals, I will try.

Mr. Bunch stated so the Chairman's question about why we didn't know that before now, good one. So there was never a detailed survey done for this area until we started doing the planning for the building and I believe the surveyors found some areas of water that was five feet deep. So the fill, as you can imagine, would be very extensive and so Ms. Couillard mentioned \$14 million in site work, that doesn't include the building.

Ms. Couillard also interjected that's one building.

(4-a) Financial Status – May 2022 (cont.):

Mr. Bunch continued, so it took what we had originally thought was an \$8 million building up to \$22 million. About a month ago we said pause, let's step back, let's look at all the options.

Chairman Davenport stated absolutely.

Mr. Bunch continued, and also let's schedule a Workshop. I believe we're trying to schedule that Workshop now, is that correct?

Ms. Couillard stated yes.

Commissioner Kelly stated Chairman Davenport, do you remember when they extended 44, they extended, four-laned it and all the money they spent trying to dry that out, trying to get up to where the fairgrounds are, they did the same thing back then. But I mean its wet back there where they're at, I've been back there, it's incredibly wet.

Chairman Davenport stated well, that's why I keep saying Commissioners, and I brought it up several times, we should look into the possibility, Mr. Chavez and Mr. Bunch, of a wetland bank. If we've got that much, we could really capitalize upon it, we could probably make more money. Then stated I'm sorry, go ahead there, Counselor.

Mr. Cloud stated I have started looking into it and I have a friend who's consulted with several banks and I used to represent some mitigation banks and I will say this, the time period and the costs of creating and maintaining the bank are problematic. In fact its likely you would have to have a small group be in charge of that, almost as its own utility if you created a bank that was going to sell to third parties. It may be that in order to get the utilization of the site that you need for your uses, there may be, you may need whatever is out there in the way of environmental, up for your own stuff.

Chairman Davenport stated I get it, I'm with you 100%. So you don't think it's worth investigating?

Mr. Cloud stated I didn't say that.

Chairman Davenport stated okay.

Mr. Cloud stated I do think this, if you're at this point in the engineering that the Commission probably needs to involve a wetlands expert who can provide some kind of overview for the most cost-effective alternative for any impacts that might occur in implementing the campus. Now as a part of that, someone that's really good will be able to see whether or not there's an opportunity for third party sales, which is really what a bank is.

Chairman Davenport stated right.

Mr. Cloud continued, and that would be something that at the appropriate time, Ms. Couillard in conjunction with Mr. Bunch and Mr. Chavez, would you know they would probably put that out. One guy I know, I don't know if he's retired yet or not, but he's sort of the senior

(4-a) Financial Status – May 2022 (cont.):

dean of this stuff, is a guy by the name of Mike Dennis. I don't know if any of ya'll have heard of Mr. Dennis. I won't disclose his age, that's not fair game, let's just say it's north of me and leave it at that. Mr. Dennis is a very distinguished expert in wetlands and so you will need someone like him that has spent a considerable amount of time with the regulatory agencies, getting projects permitted who could advise us on, you know, the best way to set a line that helps the U.C. implement the program that it needs to implement.

Chairman Davenport stated yes, and that's what I'm, in the development I've done in the past, it's so important to have that individual, a professional that works with the St. John's Water Management District on a regular basis. And I think it would behoove us to ask who works with them because they will give you who works with you, who do you like working with.

Ms. Couillard stated sure.

Chairman Davenport stated I'd like to see that done actually what you just said.

Mr. Cloud stated I can get some names, but the final decision should be I think in Ms. Couillard's bailiwick because it ultimately has an impact on the engineering aspects of any project and I mean that's, I just wanted to make sure you knew that. You're at the stage now where you can start looking for someone like that who could best advise Ms. Couillard and the Commission on the better program that is more cost-effective, that does not leave you a bunch of long-term costs and additional efforts that provide little benefit to our customers.

Chairman Davenport stated well, the magnitude we're talking about here, on this is 800 acres, it's big and we know that.

Ms. Couillard stated yes.

Chairman Davenport stated and I personally feel that I'd like to see almost like a proposal of what this wetland person can do and how they would do it, and give us some idea, just a brief besides, and someone you could work with Ms. Couillard. That's going to be important and their continuity, how long are they going to be there, because we've got an ongoing project here for several years, so that's my thoughts.

Mr. Bunch stated so I think we're kind of early in the process, some of the information is relatively late coming in the last six to eight weeks. Between now and when we meet, we should be able to get some additional information on the topic of wetlands as well as maybe additional costs. When do you think we'll have that meeting Ms. Couillard?

Ms. Couillard stated we're looking at September, October time frame.

Mr. Bunch stated okay.

Ms. Couillard stated I'm meeting with Pond next week to talk about alternatives and also other options we have with our existing facilities and timing so.

(4-a) Financial Status – May 2022 (cont.):

Commissioner Hawes stated are we under any, I don't know what, time frame of sorts. We can, we have time to work our way through this.

Ms. Couillard stated yes, we do, the only one that's really priority number one is getting off of Swoope St., that the City wants us to vacate, and that's where our Fleet is right now. So we're looking at alternatives and options for that. Other than that, unless we get like somebody that wants us out of this building, the other buildings we have options with, so we'll talk about all that too.

Commissioner Hawes stated it would just seem to me that the idea of you having this Commissioner meeting, because it just sounds like there's a lot of moving parts, and just kind of bring us up to speed.

Ms. Couillard stated exactly.

Commissioner Hawes continued, and then next steps or whatever next steps are.

Ms. Couillard stated yes, and we'll be looking to you all for your guidance on that as well.

Commissioner Conrad stated is there any movement on the Williamson Road extension?

Ms. Couillard stated I'm almost done with the appraisal that we have to give to the County and they're working on theirs. They'll have theirs at the end of August, the last I saw. But they don't have, as far as I know, it's not in their budget yet to build it. But the agreements are done and we're doing the appraisal process for the credits that we would get for giving them that land. And then added, its wet.

Chairman Davenport stated okay, go ahead, Commissioner got a question?

Commissioner Smith stated I'm not a soils expert, but if you look at a map of the Volusia County soils, almost everything west by 95 is characterized as poorly drained, piney flatwood, and that's suitable for development.

Ms. Couillard stated that's true.

Commissioner Smith continued, you know that's just the case of what you've got out there in the way of soils, its poorly drained, piney flatwood. And that's how they've characterized it for years and it hasn't changed.

Chairman Davenport stated no, it hasn't. Okay just, I know you, make sure you get somebody you can work with and we can trust, because its such a big deal as far as the wetlands.

Ms. Couillard stated definitely, absolutely, understood.

Chairman Davenport added and I don't think its ever too soon to start that process, because it takes forever.

(4-a) Financial Status – May 2022 (cont.):

Commissioner Kelly stated especially if you've got to move the turtles Chairman Davenport.

Mr. Cloud stated that's actually not a wetlands issue, believe it or not.

Ms. Couillard commented they don't like water.

Chairman Davenport that's the FIND board meeting.

Mr. Cloud added, they like the uplands, the gopher tortoises.

Ms. Couillard stated they're at the Water Plant.

Commissioner Kelly stated right, yes.

Chairman Davenport stated they're near the Water Plant. Okay, excuse me Ms. Couillard, could you continue please.

Ms. Couillard stated sure, the other few projects that are impacting our original budget, lift station 5, this is the project where we got rid of the contractor so that project was put on hold and we're reevaluating when we're going to redo that. And there's another discussion item later in the day about that. The Hypochlorite Conversion, we had project delays on materials, they're coming after, the October, November time frame instead of June, July. So that got pushed, its in the long-term budget, I put it in the budget for next year. And then we re-prioritized some of our modernization projects, so we saved some money there. And then just material delays in general over all the projects we're doing, it's about \$600,000. So that's why we're under our original \$30 million. Any questions?

Commissioner Kelly stated Ms. Couillard, go back to agenda item on Luna Bella with the Collier building that's going up. I thought that was going before the City Commission tomorrow night where the Planning Board turned down their request to build there and they're going to appeal it tomorrow night. Did you?

Ms. Couillard stated I'm not aware of that.

Commissioner Kelly stated okay.

Ms. Couillard stated because when we put it on the Commission, we were told that it was good to go, so let me check.

Commissioner Kelly stated okay.

Ms. Couillard added if the Commission, if we approve it here as our Developer's Agreement and the Commission (City) makes them do changes, we have to come back and bring a revision.

Commissioner Kelly stated okay, that's what I was...

(4-a) Financial Status – May 2022 (cont.):

Ms. Couillard stated yes that one's been kind of up and down for a while.

Chairman Davenport stated okay, is that all?

Ms. Couillard stated yes.

Mr. Chavez then stated okay, I'll finish up.

Chairman Davenport stated thank you Ms. Couillard.

Mr. Chavez also thanked Ms. Couillard and requested to go to the next slide in the presentation. From May 2022, operating income / loss, so this is right at controllable for us and our operators. We're at about \$600,000 May year to date of income, versus a \$2.2 million loss from the prior year. So that, which is comprised of increased revenues, so the rates and the usage which we knew we needed those. Continued customer growth and partially offset by, of course, purchased power and our operating expenses. And just flat or slightly decrease on the electric consumption. But this is where again, we've adjusted the fuel and purchased power adjustment, just due to the markets. We'll keep an eye on that but that is really just to make sure that we have an adequate reserve, which it will remain where its at for now, but its not, its just not at target but we will continue to monitor that.

Mr. Chavez went to the next slide and stated change in net assets, this really the very bottom, bottom line. So we're at \$2.9 million of assets, change in net assets, versus \$229,000 (sic \$279,000) from the year before this time. So similar drivers, the revenues, other income, those are in the positive. When we look at income before the contributions, which is right at near the very bottom of the statement of net assets, we're at about a \$400,000 profit versus a \$2.7 million loss, for a \$3.1 million year over year improvement. So we're definitely heading in the right direction which is the rate study and what we needed to do to make sure of the long-term sustainability of our system.

Commissioner Hawes stated Mr. Chavez, when I was kind of looking through, not this, yesterday, but some of the other parts in our booklet, and came to the page this slide was on, but whatever, but it's the same basic set of information. What struck me and just kind of wanted to ask to see if I've got this right, is it just feels like we've made, from looking at the numbers from last year and looking at the numbers this year, that we've made some pretty good, more than an incremental step in terms of improving our financials. And just like you were talking about reserves, the ability, whether we're going to do it or not but our ability to do that has improved.

Mr. Chavez stated that is exactly it. So when we did the rate study, the all-in costs of service, in essence it came back to the same conclusion that was done back in 2012 I believe, somewhere around there. Where there was a rate increase was needed and recommended, just was not done, so then what happened was, the answer at that time was to cut capital. But in reality, that's a very short-term, not realistic proposal, so fast forward to now, we've in essence drawn down on the cash reserves that we did have to fund operations. So now we're just replenishing the coffers to make sure that we're, and not really coffers but just more of to

(4-a) Financial Status – May 2022 (cont.):

make sure that we're just, you know, money isn't coming in and then immediately going out. We need to maintain the adequate reserves for the long-term sustainability. You know one of the biggest drivers would be the 90-days cash on hand from a, for operating expenses, we were clearly not there, just from that standpoint. And that was recommended by the rate study, recommended by our accountants, outside auditors, so those are the things that we need to do for the long-term reliability, sustainability of our system, but with the foresight of making sure that the rates are planned in accordance with, to the best as possible, keeping the customer in mind. So hence we've committed to the three-year rate, a rate study every three years to look at that and make sure that we're in line.

Commissioner Hawes stated and the other piece of this then is it's just the capital improvements, and the one pops to my mind was the vegetation management, when you introduced that, I don't know when it was, a couple of years ago. We just seemed to have kind of gotten, I don't know if better is the right word, but kind of making these steps and making these, I hate to call them investments, but these investments and these capital improvements. And it just, I would think you're relatively pleased in terms of the past, that we're at.

Mr. Chavez stated oh yes, yes, because and to your point just on the vegetation management that's a program that we've put in that in essence we will, all of our service territory will be trimmed within you know it was a little accelerated in the first couple of years, but now it's on a three-year cycle. We've actually, and we'll talk about it a little more in the budget, we've actually stepped up integrating the systems, like GIS, the geographical, so now they're literally mapping out every single area of our system and where the trimming is, and any notes. So this way then we have a history, and we know where we need to monitor and where the problem spots are.

Commissioner Hawes stated and even the, I keep going on and on, but the issues with the lift stations. I know we had some challenges, one of them, but that's going to be done. Just you know something else I had in the back of my mind, oh, the water, some of the changes you're making in the water as well. It just seems like we've just made sort of these investments in kind of a long-term nature but kept the other piece ahead of it as well. I think that's how it appears to me and I want to congratulate you guys for that, it's come a long way.

Mr. Chavez stated it's the team and looking at making sure we get the right advice and counsel as it relates to looking at the projects and what should we be doing for the long-term sustainability and the reliability of our system, water and electric. Added okay, the appendix just has our KPI's and information on our other, I wasn't going to go through that unless there were any questions. But unless there's any other questions, that was the end of my report.

Chairman Davenport stated go ahead Commissioner.

Commissioner Smith stated one question, because I look at all these tables and my head starts to spin. Is there something evident on the horizon that concerns you?

(4-a) Financial Status – May 2022 (cont.):

Mr. Chavez stated we're continually looking at the supply chain, that really, that still hasn't settled down, that's going to be continually on the horizon but we're constantly looking at that. Purchasing is working with Engineering in the major areas to make sure that we have our materials in and available, or at least we have line of sight. So for example, transformers, those are you know you're looking at almost a two-year lead time. So what we're doing is contacting our resources at these facilities or at the manufacturing entities that do this, we actually just, Caleb Fisher just secured some transformers, we got a production spot. So that's a thing that's we're, that's on the horizon, but we're constantly looking at it. The other one's purchased power but we don't, we're you know Mr. Beyrle and his group are getting the best possible prices on everything. The best that we can do is we just monitor the markets and see where things are going and just try to plan accordingly, that's what we're doing.

Commissioner Smith stated when you look at the data presented by the City on projects that are approved, and under construction, and proposed or whatever, are there, does anything trigger possible capital improvements that will need to supply this new development that's going on. Because it's pretty massive, a lot of development.

Mr. Chavez stated yes.

Ms. Couillard stated so we are on a continuous planning process. Anytime that we get a new project from the City because it goes to their system, we sit down and look at our electric system and our water system and add that in. So all of the things that are currently on the list that Mrs. Simmons sent out to you, we have been planning for years. So we like to plan ahead and so no surprises, every once in awhile you get a surprise like a lot or something and we can manage around that. And when it comes to materials, we're doing forecasts for Mr. Fisher and Mr. Chavez' team every month, talking about this project's still going, this one's on hold, and we manage the materials around that.

Commissioner Smith stated okay, thank you.

Chairman Davenport commented great job.

Mr. Chavez stated one other, one other item related to that, that we're doing, so a lot of the materials are common, so size of cable and that we can use on several projects. So now we're factoring that in, all the upcoming projects that are in the next two to three years, we're looking at those material needs and trying to come up with okay, what should we order now. Because if you look at only by project by project you might not get the full scope and scale of what's needed. So our approach is always looking at the risk, what are the risks operationally, well, it comes back to the operations. What are the risks operationally and financially, and how can we mitigate those risks. And those are the two higher areas, but we're monitoring them constantly.

Chairman Davenport stated I find it interesting, Mr. Chavez and Mr. Bunch, I've called you. And thank you Mr. Chavez, I want to tell you what a great job you did.

Mr. Chavez interjected, it's the team that does it.

(4-a) Financial Status – May 2022 (cont.):

Chairman Davenport continued, and as things happen, of all things to happen, I'm at the Yacht Club last Saturday night for a retirement party for an Admiral and his wife. It was a nice party, it was going great, right there at the end when they're getting ready to serve the desserts, bam all the electricity goes out. And I'm trying to convince our Yacht Club to get a generator but anyway the first thing you do, what do they do everybody, I'm sitting outside on the porch. And four people, Buddy, when's the electric, what's going on? You were great, I texted you, I got an answer, hour and a half, two hours, we figured it out, a bird of all things.

Mr. Chavez stated a blue heron.

Chairman Davenport stated yes, a blue heron, God bless his soul, so anyway we get through with that, but you did a great job, I was able to communicate. But also what I want to observe, my girlfriend got online, on Facebook and she was watching, and she was what is wrong with people. It's just why is it this, what is it that. We do such a great job and we're getting better, and you can see her support system for us. I don't know why I guess, maybe because of me, but you did a good job, did a great job and I want to thank you and Mr. Bunch I want to thank you because that's stuff you've got be in and then a lot of people you had to answer to, there was 100 people in that room wanting some answers. And I was trying to slip out the back door and I couldn't get out of there quick enough, was in the dark.

Mr. Chavez stated, and I have to give thanks to our folks, and the T&D and the System Operations group because they truly, you know, they really planned it out.

Chairman Davenport stated everything's working so good together, you can see it, you can feel the energy of how you're working together, and just from...

Mr. Bunch stated so the one, the one project Ms. Couillard has talked about a couple of times, and it's in planning but a couple of years down the road to be built, is the Transmission Loop Project.

Chairman Davenport stated right.

Mr. Bunch continued, now let's fast forward, if that was in place, the line that went out would have transferred to the second line that we're planning, and it would have been an eight or ten second light blip transfer instead of the two-hour outage. And because that line isn't there, whenever an outage occurs on it, a significant portion of our territory sees an outage, which such was the case Saturday. But line of sight on the end, once that line is in place, it will be much better.

Chairman Davenport commented the sooner the better Mr. Bunch, I'd like to see that fast forwarded.

Ms. Couillard commented from the audience, and Chairman Davenport stated, we're doing everything we can.

Mr. Bunch added, she's working hard.

(4-a) Financial Status – May 2022 (cont.):

Ms. Couillard stated I am.

Mr. Bunch added, and that's not the first time Ms. Couillard has heard that request.

Chairman Davenport stated whatever you need, we're here to help get that done.

Mr. Bunch stated but, so Mike Schings is in the back, he's filling in for Vernon Steele today; so Mr. Schings raise your hand. So Mr. Schings was the guy in the field making things happen, getting those lights back on and working with Mr. Beyrle's folks, and Mr. Chavez actually came in as well.

Chairman Davenport thanked Mr. Schings and added, and think about it, and I was telling some people. I said ya'll just think about it right now, it's 8:00 p.m., Saturday night, the night before Father's Day. And families are having dinners probably with their fathers and dads and everybody, they've got to jump up and go out right now and fix it. And they're going to be climbing a pole or getting in a bucket truck, so let's think of it that way besides why can't I eat my dessert. That's what I told them, we're going to get it fixed, and it's going to get better. But thank everybody, and thank you, it was definitely noticed, so thank you.

Mr. Chavez stated thank you and that's the end of the financial report. I'll be up for budget and others, but that will be in the next part.

Mr. Bunch stated thanks to Mr. Chavez, and I'd like to ask Tim Beyrle to come up and give us an update on solar projects.

(4-b) Presentation – FMPA Phase III Solar Project Recommendation and U.C. Site P.V. Evaluation (1898 & Co.):

Mr. Beyrle came to the podium, commented the June Solar Minute, and commenced his presentation entitled "Solar Power Update" (copy included in agenda package). So just as a recap which we went over last month, we're participating in the FMPA Phase II Solar for 10 MW's. FMPA's in discussions with the project developer right now due to the tariff issues and the panel difficulties. So the 2024 commercial date (original in-service date 12/31/2023) may slip, costs may change, we're not really sure yet.

Mr. Beyrle went to the next slide and stated so we are one of 16 member cities participating in the FMPA Solar. Those two sites are in Putnam and Alachua County. That question came up last month and I thought they were down south but they're actually farther north. Went to the next slide and stated in parallel with that, we have Burns & McDonnell doing an assessment of our property out there (Western Utilities Complex) to see if its suitable for solar panels. If we wanted to put our own system in, would it work, how much could we do, can we use the pond, the reuse pond and have floating solar. So they looked and they found about 20 acres for the pond and about 36 acres of usable land for solar panels which works out to, on the next slide, about 16 MW of solar that's available, that we could put out there.

(4-b) Presentation – FMPA Phase III Solar Project Recommendation and U.C. Site P.V. Evaluation (1898 & Co.) (cont.):

Mr. Beyrle continued and stated now we're moving on to Phase 2 with Burns & McDonnell. And they're going to look and they're going to see what is the best mix for us, so if we want to build, do we want to go in with FMPA on Phase III Solar, how many megawatts do we want to take and you know what's the right mix for us, because we can only take so much. You know, realize when its like last Thursday, we've got a lot of load, but in November we don't have a lot of load but the solar panels are still putting out electricity, so we've got to figure out where that mix is.

Mr. Beyrle went to the next slide and stated so what we're proposing is, FMPA wanted an answer by July, not a commitment but just a ballpark so they can do their planning. So our recommendation is to say we're interested in between 10 MW and 20 MW solar out of their Phase III Project.

Chairman Davenport inquired what he just said last, 10 and 20 watts what?

Mr. Beyrle stated 10 to 20 megawatts of whatever they build. They're not sure how many plants they'll build, whether it will be two or three. They're going to try to gauge the interests from their members and then they can start their planning process with their developers.

Chairman Davenport stated regarding our land.

Mr. Beyrle stated no, we have the Burns & McDonnell study that's going to look whether we should build something on our land or whether we should go in with them (FMPA) on their utility scale solar project.

Chairman Davenport stated that's where, you lost me for a minute, I'm sorry. When will we get those answers?

Mr. Beyrle stated probably a couple of months, we're just kicking off Phase 2 (w/B&McD) right now.

Chairman Davenport stated so we won't be making any, you won't be asking us to make any decisions until we get that.

Mr. Beyrle stated no, absolutely not.

Chairman Davenport stated okay.

Mr. Beyrle stated FMPA just wants a level of interest, so they know.

Chairman Davenport stated exactly.

Commissioner Hawes stated Mr. Beyrle, on page three and I think it's on page two, it talks about the U.C.'s share is about 10 MW. Is that of the new piece that comes in or is that just in total of all of it?

(4-b) Presentation – FMPA Phase III Solar Project Recommendation and U.C. Site P.V. Evaluation (1898 & Co.) (cont.):

Mr. Beyrle stated that's in Phase II (FMPA).

Commissioner Hawes stated oh, okay.

Mr. Beyrle added, now we're looking at Phase III.

Commissioner Hawes stated oh, okay, got you.

Mr. Beyrle stated we've already committed to that 10 MW (Phase II).

Mr. Bunch stated so the way they pulled this together is they get input from the members and then they take that to the developer. They determine how much land they have, how many megawatts total they're going to build, and then the final prices get developed. Now the way it happened last time one or two members decided they didn't want to participate and at the last, so as they got down to the point of people having to sign contracts, there was an extra 10 or 20 available; we didn't take it at that time. So this 10 to 20 MW (Phase III) that we will say we're potentially interested in, would end up in the same basket. So when they, comes time to develop the final contracts, if there aren't sufficient members either they won't build it or FMPA will add that into the power pool that they manage. At this point it won't be a contractual commitment, it will be for their planning purposes. And then as Mr. Beyrle mentioned, while he finishes the assessment, the assessment will come back and say which of these do, should you, participate in one or the other (FMPA Phase III or UC land), potentially both. I don't think it will end up being both, we expect the numbers to be much better in one case or the other.

Mr. Cloud stated Commissioners, the other thing that enters into this is many of the developers of the solar projects are trying very hard to keep them sized underneath 75 MW's to avoid having to go through power plant siting. So when the potential developers, or those who will participate in a developer's project, which is really what FMPA does, and they go to figure out how much of their membership wants to join on, they have to find a developer and match up the capacities and then there maybe, for example, three different fields. Each one will be sized at 74.9 MW's, and they'll be located somewhere close to the transmission lines, somewhere that is no more than two wheel stops from where our system is; at least that's my understanding.

Commissioner Hawes stated and this is kind of an off-the-wall question, but if we continue to build the solar power and I can't remember the number, 75% of the power today is coming from natural gas. And we took it to, I'm making up a number, 65%, is there any, do we lose any flexibility in terms of being able to get at natural gas power. In other words let's say the sun didn't shine for a week because of a hurricane or something like that, are we, not us so much, but in terms of FMPA or Duke or FPL.

Mr. Beyrle stated they're all planning for that. I mean you have to plan.

Commissioner Smith stated it seems to me like...

(4-b) Presentation – FMPA Phase III Solar Project Recommendation and U.C. Site P.V. Evaluation (1898 & Co.) (cont.):

Mr. Cloud stated yes, and he just explained it, the biggest difference is that a normal power plant is not going to be a peaker, it's going to be base loaded. And after the Duke decision, that's almost always true, is that it's going to be base load. But when they amended the statute, they stuck the solar in there as well, so we've had some conversations with them. I have a client who has property in Polk County where they want to construct some, one of which FMPA is looking at, it's owned by the Williams companies. And we're trying to figure out exactly how you do the envelope so that you can have as many as three of these. And I think you'll see them if you go along the 429 which is the toll road on the west side of Orange County, you'll see these different fields that are set up. They'll each have their own, you know, distribution or transmission point which is part of the permitting. But yes, I totally agree, solar is way different, can't be used as base load, but they still treat it the same way based on the language of the statute.

Commissioner Smith stated should we send a letter to Tallahassee to tell them to straighten this mess out.

Mr. Cloud laughed.

Commissioner Smith commented I mean it seems so ridiculous.

Chairman Davenport stated lobbyists on this one.

Commissioner Smith stated yes.

Mr. Cloud stated you know, you just don't know what the answer will be when you send that request, that's the problem, I'm not sure we ever do.

Mr. Bunch stated yes, basically the requirement, that 75 MW's, if you go north of that you enter a process CPN, a Certificate for Public Necessity, which then goes to the state level and the Public Service Commission. That 75 MW threshold, it's small enough that if you build it its not going to have a major impact to the grid.

Mr. Cloud interjected financially.

Mr. Bunch stated yes, and most all states, at least the ones I'm aware of have some sort of threshold. The 75 here is a little lower than I'm accustomed to but I think it's worked well for Florida. And actually Florida does a very good job of making sure of within the state utilities are adhering to what we should be accountable for nationally and in NERC. So there's another level of check going on here then for the electric power industry, I think there's been a good ownership within the state and a lot of good outcomes. Fortunately we haven't had the Texas type outage events and things like you've seen on nationwide news over. And that's a result of once again the state requiring planning margins similar to NERC at the national level and they're not going to let things go awry within the state that shouldn't.

Chairman Davenport stated okay, any more Mr. Beyrle?

(4-b) Presentation – FMPA Phase III Solar Project Recommendation and U.C. Site P.V. Evaluation (1898 & Co.) (cont.):

Mr. Beyrle stated that's it.

Mr. Bunch thanked Mr. Beyrle.

Chairman Davenport stated I do have a question Mr. Beyrle, I know we've gone over this before, what is our, if you will, our ROI, our return on our investment for the money we put up to FMPA. Say \$10 million and over a period of time we're going to get this much back or, does this make sense what I'm trying to say?

Mr. Beyrle stated we don't...

Commissioner Hawes simultaneously stated I don't think we make an investment.

Mr. Beyrle stated we don't, we're just purchasing the output.

Chairman Davenport stated we're just purchasing it, okay, good, that's even better, I forgot, we don't make an investment, that's the reason we're doing this. Added, so much stuff goes on here, you just got to bring it back up.

Mr. Bunch stated yes, the solar is an operating lease, we pay for megawatt hour purchase and the developer actually puts up the capital.

Chairman Davenport stated it's a win, win.

Mr. Bunch stated yes.

Chairman Davenport then stated thank you.

Mr. Bunch reiterated his thanks to Mr. Beyrle, and then stated that's it for the General Manager's Report Chairman.

Chairman Davenport stated that's it?

Mr. Bunch stated yes sir, on to the General Counsel.

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

Chairman Davenport stated all right, Commission Counsel please, thank you.

Mr. Cloud stated yes sir, I just wanted to point out that the Senate Bill 620, which was the act that was going to create an opening for businesses to sue local governments was vetoed by the Governor – thank God. When it first came out, I was told it was going to pass, and I think that to their credit the League of Cities played the long game. I was told that a letter went, that was signed by 20 Mayors of the 20 largest cities in Florida to the Governor asking that he veto. It really would have been a nightmare, you know, I'm sure it would have been nice for younger

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

lawyers to get to deal with all those lawsuits. No, it would have been horrible because it would have had a chilling effect on local government and the people who sit on the boards because who wants to worry about the threat of being, of having to deal with lawyers, God its horrible. It's almost like a lawyer joke except its bad, and thankfully it was vetoed.

Mr. Cloud continued by stating I am working on some rules right now to try and update for you, I wish I would have gotten a draft to Ms. Couillard yet, but I'm sitting here working on the things. They're called pre-treatment rules and it's a very obscure part of your wastewater system and it deals with non-domestic, in other words non-residential flows that come from businesses. Not insurance companies but like restaurants or you know, a chrome hub cap plating business or something like that. It has a different makeup or constituents of the wastewater flow. Now fortunately, and Ms. Couillard knows way, way more than I ever will about the makeup of sewage in New Smyrna, but apparently, we do not have a lot of these very esoteric industries here, but we do have a lot of restaurants and so its important to get this right. We have a 1992 resolution which is, you know its about 29 years out of date, needs a little bit of work but we probably don't need a full-blown industrial pre-treatment program approved by EPA and the state. There's only 67 out of the 400 plus cities and the 67 counties that actually have approved programs. And you've done well without having an approved program, but we are going to update those, and they will be coming before you at some hopefully close by future meeting, but we've still got to work on this a little bit. And that's all I had to report.

Chairman Davenport stated okay, thank you.

Chairman Davenport started to go to the next item on the agenda.

Commissioner Smith stated can I ask a question on that?

Chairman Davenport stated yes sir, Commissioner.

Commissioner Smith stated I kind of, I think I was sleeping but what are we trying, we're talking about flows from restaurants, plating businesses and that type of thing?

Mr. Cloud stated yes.

Commissioner Smith stated and what's the...

Mr. Cloud interjected you were listening even if you were sleeping.

Commissioner Smith stated well, I do that; what exactly is the goal that we're trying to accomplish?

Mr. Cloud stated to avoid killing the bugs in your sewer plant. Most sewer plants operate off filthy bugs that help to reduce the volume of solids that go through this massive chemistry experiment, it's called a wastewater treatment plant. That's the only way I've ever been able to really get a handle on what it is and if you get some of this stuff going through the plant it

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

can upset the biological processes that you have. More importantly it can also blow up your transmission system. When I was about three years out of law school, we had a lot of Federal grant money back then, the 201 program and they used to actually fund 75% to 85% of wastewater facilities at the Federal level until 1985 when they killed it.

Commissioner Smith stated yes.

Mr. Cloud continued, but they had a project in Louisville that was a discharge out of a Purina Chow plant and somehow or the other it had a substance called Hexane in it. Hexane is combustible and I don't know, you know it's one of these things where the right conditions existed at the wrong time and I saw a picture of the one block long street that was blown up by the explosion that occurred in the sewer. Now had they been operating that plant correctly they would have had a pre-treatment system constructed on their side of the pipe. I don't think we, that we don't have any pre-treatment systems.

Ms. Couillard stated we don't, our biggest issue is grease, grease from restaurants and they clog up everything, backs up into their neighbor. And you know we have to go out and clean it and we've been working with the local restaurants and you need this, you need that. But we need something that's clearer in the document so that they understand their requirements of when they put in a grease trap, and how often they have to maintain it, and all those types of things that comes from the U.C. The City does enforcement so we're working with them to require a grease trap, but you know you have to make allowances too, so we work with folks, but we don't hear about it until you know it's backing up into Third Wave or the guy next door.

Mr. Cloud interjected, and EPA calls it F.O.G., fats, oils and grease.

Ms. Couillard stated yes, they call it F.O.G., and its gross.

Chairman Davenport stated why could we not take that over from the City since it winds up being our responsibility in the end correct?

Ms. Couillard stated yes, so part of us doing that is having a F.O.G. program, having this resolution that says the U.C. requires this, that and the other, that gives us more enforcement.

Chairman Davenport stated don't you think we should do that?

Ms. Couillard stated that's what Mr. Cloud is writing.

Chairman Davenport added, don't you think to Mr. Cloud?

Mr. Cloud stated I just had to make sure, I wanted to make sure, and I was pretty sure that I didn't need to set up the full-blown IPT program which has its own permitting; I really don't.

Ms. Couillard added I don't think we do.

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

Mr. Cloud stated we talked about that and its just I don't think you need it for your system, you're fortunate in that. I know that some of the more mature systems in Florida, take Tampa, with the Port over there, they have, you know, they have a place now that they turned into restaurants called the Armature Works, but there used to be all kinds of crazy stuff that was discharged out of there into the City of Tampa wastewater plant. New Smyrna Beach doesn't have that in its customer base, thank God.

Chairman Davenport stated okay, but we do have a problem with the grease correct?

Ms. Couillard stated correct.

Chairman Davenport stated that's our biggest problem. Can we do a modified agreement, then we would have more control over the restaurant.

Ms. Couillard stated yes.

Chairman Davenport continued, because I know, just we all know sitting here, that's the last thing they're going to do is go check their grease and do the grease trap.

Ms. Couillard stated yes, costs money.

Chairman Davenport continued, until it, they do it when it stops up.

Ms. Couillard stated exactly, so that's why I asked Mr. Cloud to look at our old resolution because when I was reading it, I'm like this is confusing, can we write it so it's a F.O.G. program because we don't need the EPA program with all the reporting and all that, we don't have that here, we have just the F.O.G. issue. So that's what he's going to write up for you, for you all and for us.

Chairman Davenport stated what do the other Commissioners think about this?

Commissioner Hawes stated well, I get, my immediate reaction is it's a great idea to do it. I don't know about setting up a dual regulation system somehow but...

Ms. Couillard stated I don't think we need to, I think we work really well with the City, so they require certain things but...

Mr. Cloud stated well, this relates to the use of the system and if you parse the Charter that you have, that's one of your biggest powers is you regulate the use of the system. And the only effective way to regulate this use is for the U.C. to upgrade...

Ms. Couillard interjected is to have, enforce.

Mr. Cloud continued, its regulations to impose, not impose but institute a new F.O.G. program and that's what we're trying to do so that staff can more effectively deal with the regulation of getting grease out of the sewer system, so you don't get the drain effect.

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

Ms. Couillard concurred.

Chairman Davenport asked does that need to be in the form of a motion Mr. Cloud?

Mr. Cloud stated there's no motion necessary.

Chairman Davenport stated okay, just thought I'd ask.

Mr. Cloud stated I'm just updating you on something that we're working on.

Chairman Davenport stated okay, so that's good.

Ms. Couillard stated we'll bring it back.

Mr. Cloud stated yes.

Chairman Davenport stated now I understand, you're working on it, didn't get that earlier.

Commissioner Smith stated let me go back to 75, not 1875, but 1975, and I was writing the first comp. plan for the City of Ormond Beach and the first time the city dealt with the issue of hazardous waste disposal by the growth management laws back that time. So I decided to call around to the hospitals in the area to see how they dispose of their spent nuclear material and radioactive material. And I finally got a hold of a technician in one of the hospitals, which I won't mention the name of the hospital, but the technician said we just pour it down the storm drain. Which could explain the three-eyed trout on the beach at the time. But you know there's a lot of stuff that just goes into the system which shouldn't be going into the system. As far as the grease thing, I did meet a guy in Atlanta at the airport one time who became a multi-millionaire taking the grease from the fast-food restaurants and selling it for conversion to diesel fuel. Which you know that may be something that needs to be done around here, start using this grease in a better manner.

Ms. Couillard stated maybe, yes, it just, it gums up everything.

Chairman Davenport stated okay, well at least we're working on it.

Ms. Couillard confirmed, we're working on it.

Chairman Davenport and Commissioner Smith thanked Ms. Couillard.

(6) Old Business:

Chairman Davenport stated okay, Old Business, item number 6., is the 6-a. Award – Request for Proposal 12-22, Commissioner Selection Evaluation Committee, Auditing Services. Recommend award to Purvis Gray and Company, Mr. Chavez. Okay, 6-a.

(6-a) Award – RFP No. 12-22 (Commissioner Selection/Evaluation Committee) –  
Auditing Services:

Mr. Chavez came to the podium and stated so in this one I will definitely turn it over to, we support the decision, but I turn it over to Commissioner Conrad to discuss it from here, since she ran the committee to evaluate.

Commissioner Conrad stated thank you. There was an RFP that went out, issued by staff, and there were two responses to it, it's all in the material that sitting in front of you. And you approved three of us, Commissioners, to evaluate those proposals when they came in, which we did. I have to say from my perspective, and everybody is going to have their own because there was absolutely no communication between the Commissioners and what they've said. We have no knowledge of what one or the other of us said, it was not discussed by any of us between us. And from my perspective the proposals were extremely complete, every item was in the proposal that needed to be evaluated had been addressed by the proposers. So I've looked at proposals in the past and I found that you know you're going to get people who just did two or three of them, don't want to look at two or three of them, over-report what's not asked for. In this case these are two very qualified firms and based on the rankings that we individually did, we would recommend that Purvis be re-engaged for according to the schedule that you see in front of us. And I'm happy to make that motion if there's no further discussion. Specifically a motion to award RFP No. 12-22 – Auditing Services to Purvis Gray and Company, LLP for one year in the amount of \$52,000.00 with the option to renew for three additional one-year periods in the amounts stated in the agenda item summary (9-30-23 - \$54,000; 9-30-24 - \$56,000; and 9-30-25 - \$58,000), and authorization for the General Manager/CEO or his designee to execute all documentation for this matter.

Chairman Davenport stated okay, we got a motion on...

Commissioners Hawes and Smith simultaneously stated second.

Chairman Davenport stated got a second.

Commissioner Conrad stated do you need me to state it or are we good; it's right there (on the agenda item, the recommended action).

Chairman Davenport stated all right we've got a motion on the floor, and we got a second, any discussion, any more discussion anybody?

Commissioner Smith stated I just want to commend the Commissioners that worked on that project, you did a fine job. We're very fortunate to have people of that, I don't have any expertise, so we're fortunate to have accounting expertise on board that was able to do a great job of putting this together; so I appreciate your time.

Chairman Davenport stated yes and thank you Commissioner Conrad. It's nice to have a CPA sitting up here. With you, we lost a very good one and to our surprise we got another great one, so thank you, a great female CPA like that.

Commissioner Conrad added, it's nice to be up here by myself.

(6-a) Award – RFP No. 12-22 (Commissioner Selection/Evaluation Committee) – Auditing Services (cont.):

Chairman Davenport stated yes ma'am, it sure is, it's good to be able to trust your knowledge too, that's what's important. Okay, any more discussion, no discussion, Mrs. Simmons will you call the roll please.

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

(6-b) Informational – ERIP Program Update:

Chairman Davenport stated okay, item 6-b., informational, ERIP Program Update, Julie Couillard, thank you.

Ms. Couillard came to the podium and stated this is just a quick update on the ERIP or Electric Reliability Improvement Plan. You have approved up to a total of \$4.392 million over the three-year period, to expend money and install reclosers and Tripsavers, to reduce our customer impact minutes and frequency. So we're rolling into the second half of phase one, 28 more Tripsavers are planned, we have them on order, they are arriving in October, so they will be installed in the fall. And then phase two, and part of that is because we're utilizing our internal crews to install a lot of this equipment and that is cheaper than the contractor, and they're doing a great job. We've created standards, so now they can look at the standards, they know all the material they need, we can package it up, so actually it's been a really great group project, everyone's working really well together on it.

Commissioner Conrad stated and there's sufficient staffing levels to do that?

Ms. Couillard stated there is at this point.

Commissioner Conrad stated great, that's nice to know, it's so hard for everybody to have labor.

Ms. Couillard stated yes, so its just an informational item, I don't need a motion or anything because you've already approved the budget. I just thought I'd update you on where we are in the process.

Commissioner Conrad stated thank you.

Chairman Davenport stated great job, thank you. Okay, if that's the case, moving to item 8. on the agenda, Time for Commissioners.

Mr. Bunch stated 7-a., I'm sorry.

(7) New Business:

Chairman Davenport I mean 7-a., sorry, New Business. Consideration of U.C.'s Fiscal Year 2023 Budget and Capital Improvements Plan.

(7-a) Consideration of U.C.'s FY2023 Budget and Capital Improvement Plan FY2023-2032  
(Proposed U.C. Resolution No. 2022-02):

Mr. Chavez came back to the podium and stated so what I'll do is I'll kick it off, but I'll turn it over to Ms. Couillard from the capital standpoint and then I'll take back over when we talk about the income statement.

Ms. Couillard stated okay, went to the first slide of the presentation and stated so our fiscal year 2023 to 2032 budget reflects the following principles, our Vision, Mission and Values drive how we operate and serve our customers and the community, now and in the future. Our capital improvement plan for this time period is \$174.5 million. It's made up of prioritized risk assessed capital projects, reliability upgrades, aging infrastructure replacements, and the approved modernization roadmap projects. Last year our ten-year plan was at \$187.6 million, it has gone down a little bit because of the Western Complex, we just talked about, we pulled that out of the budget for now until we get a better idea of what we're going to spend. And then also, we reevaluated some projects and pushed some out, or took some off the table and put others on, so the whole mix came out to \$174.5 million. The CIP also, in addition to that we have our capital connection fees, which is our restricted fund. The fund is at \$19.7 million, and that's for water and wastewater growth related projects. So in the booklet and in the sheets, you'll see capital connection fees pulled out separately from this total, this capital total, because it is a restricted fund. And then we also pull out third-party projects, so these are things initiated by the D.O.T., the State, County, and City regulatory bodies because we don't have control over execution and schedule on those. So we're part of the project, we pay for it, we do our work, but as you've seen on some of the bridge projects, things change and we're just along for the ride on that. And then again, we're talking about the consolidated Fleet building, that's the one that we were going to build out at the Western Complex. We've put all that on hold for now, but once we figure out our plan, our priority is to get off Swoope Street because the City wants to use it for more parking and things like that. And then our O&M budget is developed focusing on electric and water utility services in the most cost-effective manner, keeping our customers in mind.

Ms. Couillard went to the next slide and stated just a reminder this ten-year submittal is \$174.5 million from fiscal year 2023 to fiscal year 2032. This is the fourth year that we have done a detailed, bottoms up, prioritized risk assessed capital plan. So just a reminder, that was started before I got here, and we evolved it with Mr. Chavez and team over the years and we have a really nice process now, it makes it a lot easier.

Chairman Davenport stated and a lot more transparent and reliable.

Ms. Couillard stated yes, you get to see at the whole thing.

Chairman Davenport added, two words there we needed.

Ms. Couillard stated definitely. So it includes a number of projects, so I'm just going to highlight some of the larger projects, first is the modernization, so it's the AMI for electric and water. We are going to be instituting a Work Management / Asset Management System and improve our processes. We have a Telecom Strategy for the build out of the U.C. fiber and then the other key locations. And our SCADA upgrades at electric, water and

(7-a) Consideration of U.C.'s FY2023 Budget and Capital Improvement Plan FY2023-2032  
(Proposed U.C. Resolution No. 2022-02) (cont.):

wastewater. Additional modernization projects are the Glencoe Water Treatment, enhanced capacity and life extension. So we're doing the Chemical System Upgrades right now, they're rolling into next year. The new Pellet Softening Water Treatment System, we've talked about that multiple times, we are kicking off that project. And just as a reminder the amount of money that's in the budget now is \$10 million, it may go up a little bit because we're going to have some pretreatment requirements. However, even at the higher cost we save about \$8 million over a 20-year period, versus trying to build a RO plant, and all the improvements that we're making at our current plant, so it's a good investment. And then we are in, will be in the second year of our Raw Water Well Rehab and Monitoring Project.

Ms. Couillard continued, at the WRF, we have multiple system upgrades, so we're working on a Screw Press Installation to help us eliminate water from our waste that we truck off. We're putting that in, will save us a lot of money and it will reduce the need for the O&M costs of hauling all of that sludge; so we just kicked that off. We're looking at rebuilding the Headworks, we have to upgrade the lift station there and then we're doing Pump Replacements and we're looking at Aeration System Improvements. So a lot of these are in the Stantec report we got a couple of years ago on improvements for the WRF and the Water Plant.

Ms. Couillard continued and stated next is the Electric Reliability Improvement Plan (ERIP). So we're doing all of this work that we just talked about, as far as the TripSavers and the Reclosers and other upgrades, so that we can target a metric of less than one customer outage per year and SAIDI less than sixty minutes, and we're also trying to reduce our frequency. Other projects included in ERIP are the Transmission Line Improvements. So we're rebuilding some transmission lines, we're putting in the Transmission Loop, we're doing the Sectionalizing Equipment, new Technology, and some System Hardening Projects.

Ms. Couillard went to the next slide and stated so focusing on next year, fiscal year 2023, we have a capital budget of \$33.9 million. It reflects both, that's annuals and majors. Major projects are \$21.6 million, \$8.4 of that is electric, so it's the AMI work, it's the reliability improvement projects, the transmission line upgrades, and line rebuilds; so we're rebuilding sections of our distribution lines as well. And \$7 million is Wastewater major projects including several lift station improvements and the WRF improvements. With \$4.8 million is Water major projects, at the Glencoe Water Treatment plant, Water AMI and various water main improvements such as replacing asbestos pipe, replacing older pipe. We have sections of the City that we're divvying up and we're doing them one at a time, to replace all that. And then we have the common projects, it's the Work and Asset Management Systems, primarily and then a little bit of money in there to work on the Fleet Facilities Western Complex Plan. And then our Annual projects are at \$10 million and they include our preventative and reactive capital work such as pole replacements, meter installs, breaker replacement programs, the sewer relining that should be finished next year, knock on wood, and anything to maintain infrastructure. And then lastly, our Third-Party Interagency Projects is at about \$2.2 million, and there's the City of New Smyrna Beach Stormwater Project, a big one on North Atlantic, and then we have the Washington Street Streetscape Project where we are going underground and we're replacing all of our water and wastewater facilities.

(7-a) Consideration of U.C.'s FY2023 Budget and Capital Improvement Plan FY2023-2032  
(Proposed U.C. Resolution No. 2022-02) (cont.):

Ms. Couillard went to the next slide and stated oh, I think I just talked through this slide, sorry, I went ahead of myself. And then after that we have just snapshots of the budgets. The first one on page seven is the total budget summary by line of business, so there's electric, water, wastewater, common and then reuse. And then at the very bottom you'll see the Capital Connection Fees Restricted Fund, what we're funding out of that program is a new regional lift station out near V-Bay. Also we have the ability to cost share for upsizing with a developer and you'll see sometimes in Developer Agreements that we'll be paying the incremental piece to go from an eight inch to a ten inch, because we're planning for the future; so that's what's in those numbers.

Ms. Couillard went to the next slide and stated on the next page is the Capital Budget Summary. This is just the Major Projects and we tried to, we lumped them a little bit, like under electric, there's the AMI and then you'll see the Feeder Reliability, Transmission projects, those are all, we grouped them together for the total but that includes the rebuild of Field Street. We're putting in, rebuilding a new line from Smyrna (sub.) to the Airport (sub.) where it goes north and then the Transmission Loop. We have some miscellaneous substation work and then some other rebuild projects. In Wastewater our major reconstruction, lift station projects are no. 5, which we need to reschedule, no. 12 which is underway, and no. 3 which is in Engineering getting ready to go along with adding a generator at lift station 2 which is by Norwoods. And then the other items are stuff at the WRF, there's miscellaneous projects there, and another generator, a bypass and a generator at lift station 60 which is one of our major, regional lift stations. And then in Water, again is the AMI, the Chemical Improvements Project, that's the big one on Water for next year, and then we're starting, kicking off other work in Water. And then under Common, it's the Software Systems, the Western Complex, and the Fiber.

Ms. Couillard went to the next page and said then lastly on page nine, we do the same thing but its for the Annual Projects. So its things that we do every year, transformers, underground extensions, animal guarding which we're starting, that's new, breaker replacement project is new. In Wastewater we have our sewer lining, and pump replacements, things like that. Same thing in Water, and then in the Common, it's I.T. work, generation type work and other miscellaneous like building and facilities types of projects.

Chairman Davenport stated let me go back to, on page 8, under Common, yes, that's it, Western Complex Site Development, 2023 and 2024, \$100,000. So that's basically not correct any more, is that correct?

Ms. Couillard stated no, it was originally, we had \$10, \$13 million across the years. I put it down to \$200,000. And \$200,000 assuming we would have to do some study work and maybe some more surveying. Since I don't have a number, I didn't want to put like an inflated number in there that I couldn't back up.

Chairman Davenport stated but that's site development only, I'm not talking about building the project, I'm just talking about...

(7-a) Consideration of U.C.'s FY2023 Budget and Capital Improvement Plan FY2023-2032  
(Proposed U.C. Resolution No. 2022-02) (cont.):

Ms. Couillard stated actually, that's just the title of the project in our budget, it's really just Western Complex.

Mr. Bunch stated to answer your question Chairman, yes, its planning, its assessment, so trying to anticipate costs over the next year or two that would get the planning started. Once we meet with you, after that Workshop we were talking about earlier, where we have a better feeling for, we want to make a more feasible recommendation versus just continuing ahead with the prior project.

Ms. Couillard stated right.

Mr. Bunch stated that was, as Ms. Couillard mentioned, a \$10 or \$12 million project, if you went to last year's budget it would be in there. Until we meet and the Commission aligns with staff on the direction forward, there right now is just some planning money.

Ms. Couillard added, just a place holder.

Chairman Davenport then stated thank you.

Commissioner Conrad stated so that for some reason you decided not to put any forecast out through 2032 at all?

Ms. Couillard stated for the Western Complex?

Commissioner Conrad continued all you're doing is pending at 2024.

Ms. Couillard stated yes ma'am.

Commissioner Conrad stated so, if we were to look at this then, mid-2023, would we maybe have a number for 2026 through 2032?

Ms. Couillard stated yes, then we would budget for it in the next cycle.

Commissioner Conrad stated I mean that's a big change to what we looked at last year.

Ms. Couillard stated right, and added we do this every year, so as things come off and go back on, you know we tell you about it.

Mr. Bunch stated just taking that question or comment next step forward, let's say in September we meet, staff has more information, the Commission is comfortable with the recommendation, you can approve a project at that time, it doesn't have to be in the current year's budget to start work. So we can get things going between now and next budget development. Maybe, is that a concern, or a delay, or I'm just trying to read what..?

(7-a) Consideration of U.C.'s FY2023 Budget and Capital Improvement Plan FY2023-2032  
(Proposed U.C. Resolution No. 2022-02) (cont.):

Commissioner Conrad stated no, it just is from a comparative basis from what we would have looked at last year versus this year, looks like there's significantly less things spent over the next five years and that's only a temporary type of thing is all I'm saying today.

Mr. Bunch stated correct.

Ms. Couillard stated correct, yes ma'am.

Commissioner Smith stated Ms. Couillard on this fiber optic issue, you know, these folks are going around and putting fiber optic underground, is there any, can there be any connection between your fiber optic needs and this outfit that's putting the fiber optic underground?

Ms. Couillard stated so we generally do not partner with Spectrum or Wire3. We will have our own, we're working with the City where they're paying us for their portion and then we're going to own and maintain it. Because of NERC requirements and security, and I know Water is going to have the same thing, it's coming, we prefer to have our own fiber that we own and maintain and there's nobody hoping on or off, that way we can keep it dark.

Commissioner Smith stated okay.

Ms. Couillard confirmed she had answered that right.

Chairman Davenport then stated anything else?

Ms. Couillard stated no, my part is done.

Chairman Davenport stated good job Ms. Couillard, thank you.

Mr. Chavez came back to the podium and stated okay, so Ms. Couillard focused on the capital and I'll focus, or I'll move quickly through, the O&M or the Profit and Loss Statement. So if you go to slide ten, as part of the annual budget process, now that we've done this for a few years and really did a bottoms up approach, we look at our operations, our maintenance programs objectives and the key performance indicators, and this purely focused on the O&M side. So as we're putting in the capital upgrades, we're also looking at to say okay, how can our metrics get better as it relates to these capital improvements that we're doing. So now, the revenue side what was done when we did the rate study, we got the water model rate template, so we used that for our water, wastewater, reclaimed, that was developed during the rate study. And on the electric side of it, from the cost of service view we just use our existing models that work fairly well, just with the updated rates, so in essence our approach to looking at this in the most constructive, possible way. So from a revenue standpoint we're at \$75.3 million for fiscal year 2023, so that's about 13% higher than the fiscal year 2022 budget of \$66.5 million. So that's purely a function of incorporating the rates, the expected growth, the customer growth and the usage. And for fiscal year 2023, that will be the second year of the water rates that were previously approved.

(7-a) Consideration of U.C.'s FY2023 Budget and Capital Improvement Plan FY2023-2032  
(Proposed U.C. Resolution No. 2022-02) (cont.):

Mr. Chavez continued, on the O&M side we do, compared to prior years, we do have of course just as it relates to the macro-economic environment that we're in right now, so we're expecting, all of our, including purchased power, all of our costs to be a year over year increase of about 9%. So when you strip out purchased power, purchased power by itself was we assumed 10% increase year over year and that's strictly as a factor directly related to the power markets that we're seeing now. On the, if you exclude purchased power, all of the other costs are up about 8.5%. Now based on looking at the commodity prices and such, you know our budget changes are really driven by these material costs due to the elevated goods and services inflation that we're seeing, pandemic related supply chain constraints. We do have some increased costs in the I.T. infrastructure and that's strictly related to as we start to bring in the new application systems, AMI, work management, you will have of course a funding increase in the I.T. cost structure. What we're doing with that specifically is Ms. Keehn, myself and Mr. Michel from the I.T. group are looking at the costs and the build up and just kind of looking at it from a bottoms up approach again, compared to some benchmarks and some outside consultants, to see okay, can we do it better, faster, cheaper. Just as a continual before we really ramp up into these new applications that we're putting on. If you look at the very bottom, purchased power costs, that's really our largest driver on the 10%, but on the O&M items, excluding purchased power the increase is about 8.5%. So of course as things, if they calm down and the like, we will definitely adjust in subsequent budgets, but for now this is factoring the realistic scenarios of the inflation and the supply chain constraints that we're seeing.

Mr. Chavez went to the next slide and stated so 2023 O&M, \$61.2 million. We have of course increased employee costs but that's standard, health care and employee benefits. On the health care side we are, our claims loss, our loss claims are improving so our increase wasn't as high as the prior year budget so that's a good sign. We do have the second-year implementation of the transmission line right of way and the vegetation management program. This is the initiative, where we talked about earlier, where we're putting a layer within GIS to help us really track what we're doing, what the line looks like, what type of attention it needs on a regular basis. It's also a management tracking so when Asplundh completes it, our T&D contact will then go out about and verify whether or not it's acceptable and then sign off on it. Staffing levels, we increased two additional FTE's to 185, and that's driven by we do have a Lead Mechanic position and then we do have a Customer Accounts Receivable Specialist. So as we transform into customer experience and the systems that we're putting in, focusing on the customer, we just want to make sure that we have as we focus on that, that we have our core accounts receivable covered as well. And then the purchased power, the last item there, \$27 million, that's \$2.4 million higher than the 2022 budget, so that's that 10% increase, and we will continue to monitor that, that's driven by the nat. gas.

Mr. Chavez went to the next slide and stated okay, so next steps. We request your approval for the 2023 Budget submission. Assuming that it's been approved today, it will, we'll submit it to the City of New Smyrna Beach, by its deadline of June 30<sup>th</sup>. And then what we'll do is we will attend the two readings of the Ordinance, more than likely August to September, Mr. Bunch, myself and Ms. Couillard have been there, to address any questions and such, but

(7-a) Consideration of U.C.'s FY2023 Budget and Capital Improvement Plan FY2023-2032 (Proposed U.C. Resolution No. 2022-02) (cont.):

typically it's been a pretty straightforward conversation with them. So at this point I would request your approval for the (FY) 2023 Budget.

Commissioner Hawes stated I would like to make a motion to approve the 2023 Budget; specifically a motion approving the FY2023 Budget and Capital Improvement Plan (FY2023-2032) and U.C. Resolution 2022-02. (Upon approval, FY2023 Budget Estimate will be forwarded to the City of New Smyrna Beach. Final, formal adoption of the FY2023 Budget is pending City Commission approval by Ordinance.)

Commissioner Kelly stated second.

Chairman Davenport stated okay, we've got a motion on the floor, we've got a second. Any discussion, Commissioner Smith. Commissioner Conrad, if anybody should do discussion it probably should be you, do you have anything that concerns you?

Commissioner Conrad stated no, I made my statements earlier.

Chairman Davenport stated I don't see anything either, good. Then asked Mrs. Simmons to take a roll call on the motion.

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

Mr. Chavez stated thank you.

Chairman Davenport stated thank you very much.

(7-b) Approval - 2022-2025 Collective Bargaining Agreement Between UCNSB and IBEW Local #2088:

Mr. Bunch stated I'll ask Mr. Chavez to stay up and talk about the Union Labor Contract renewal.

Mr. Chavez stated okay, so when I started, I guess three and a half years ago, we, that was my first Union contract negotiations with the IBEW 2088 I believe. So this is, now that contract ended or is ending July 1<sup>st</sup>, we've renewed for another three-year contract, July 1, 2022 to June 30, 2025. What we did was, it's a three-year agreement, we negotiated the first two years of the wage escalation and then we'll have a third-year opener, only for rates, wage rates. So otherwise the contract is in force and effect for everything else. What we did in this most recent contract negotiation, just based on the external review of data and such, we added two additional steps for pay grades 5 to 21. So that's more meter reading, clerical, the water organization, those organizations other than electric - the T&D and the linemen. And that's just based on our, in essence, we paid higher at the beginning, but it was topping out too soon for the other pay grades, so we adjusted that. In addition we have a 2.5% increase for all pay grades in 2023 and then another 2.5% in 2024. So that is based on our review of our rates in

(7-b) Approval - 2022-2025 Collective Bargaining Agreement Between UCNSB and IBEW Local #2088 (cont.):

relation to our Central Florida market and based on the conditions that all businesses are encountering; those are the items that we negotiated with the Union.

Chairman Davenport stated how are we competitive with, like Florida Power & Light, our linemen, and Duke Energy, how do we, our salaries, our linemen specifically I'd like to know.

Mr. Chavez stated so we are, actually we pulled some initial, we pulled data. We are comparable based on the comp. study that we've had, from FPL and others and the larger utilities. Ms. Carrizales, the new H.R. Manager and I will be doing a presentation to the linemen specifically talking about the wages and the comparison to the FPL's of the world. The difference between, the biggest difference between our rate structure and other utilities, ours, the benefits and what we offer is pretty much not comparable. So for 8% contribution, to your retirement, plus a 50% match up to the IRS limit, there is no company that does that – public or otherwise.

Chairman Davenport stated that's what I thought.

Mr. Chavez stated when we looked at the base wages, we are comparable within the realm because we started pulling some specific data from FPL. Our consultant had indicated that there was no adjustment required for, particularly the linemen. So we got that positive statement but in our further discussions we're going to have additional information.

Chairman Davenport stated that's good to hear, that we're, our total package overall.

Mr. Chavez stated oh, yes.

Chairman Davenport stated sometimes people can't see the forest for the trees.

Mr. Chavez stated exactly and that's the...

Chairman Davenport continued, my hourly rate is this, but what about 20 years from now, look at this.

Mr. Chavez stated and the other differentiating factor as well, as you know safety is number one, we expect our folks to come to work and go home safely. You work for any contractor and FPL for example, you will be traveling within Florida, or outside the state. So there is no such thing as home at night, it just, it doesn't exist, and their benefits compared to ours are not as rich.

Chairman Davenport stated also, I would like to see, I hope we're doing it, I'm sure we are, an education, continuing education regarding our benefit program and the opportunities that we offer here, to make sure that's totally understood by everyone. Matching 401's and insurance, anything that we give them to let them know we love them and care about them.

(7-b) Approval - 2022-2025 Collective Bargaining Agreement Between UCNSB and IBEW Local #2088 (cont.):

Mr. Chavez stated yes, and we do, and the one that I will focus on specifically, there is, I mean we've worked in, there is no one doing a 50% match on your retirement contributions up to the IRS limit, it just does not exist. So we do, just to continue you through, on the benefits that we did do to that point, we did increase the shift differentials from a \$1.00 to \$1.50 for the swing shift and \$1.25 to \$2.00 (for the midnight shift). In addition when we have promotional, there was inconsistent language in the existing contract when there's a promotional advance, a job posting, job bidding, it's either step A of the next grade or a 5% pay increase. So this way then this would address any issues where you move up to the next step and it's a nominal amount. What we in essence codified is its either the next higher or 5%, whichever is greater. For hours of work and overtime, removed language providing for total seniority on shift bidding after being in a division for 24 months. So what's that, and this was requested by the employees and management. So if you had been in a, so shift bidding in essence you get to pick whether you want to do nights or not. There was language prior than the last contract that had where if you as an employee after 24 months had greater seniority than everybody else, meaning outside of the division that you were in, you then would trump everyone else. So you know of course employees that were strictly water in that division, that was requested by the employees as well as for management. Last couple of items, we did add a maternity leave benefit for two weeks or ten days for birth or adoption of a child. We added three additional days of bereavement for death of a spouse. We did cap the usage to two events per year, you know to ensure that everyone is using it and not abusing it. And then added the option for employees to donate time to another employee in an emergency situation but on a very selective basis because we don't want to, we want to make sure that there's no abuse.

Mr. Chavez then stated unless there's any other questions, we request approval for the U.C. and IBEW Local 2088 CBA under New Business, section 7-b. We request your approval for this.

Commissioner Smith stated so moved; specifically a motion to accept and approve the 2022-2025 Collective Bargaining Agreement, wage rates specified and effective a set forth in Exhibit A, which said agreement was accepted by authorized representatives of both parties and ratified by the bargaining unit on June 9, 2022; with authorization for the GM/CEO or his designee to execute the associated documentation for this matter.

Commissioner Conrad seconded this motion.

Chairman Davenport stated okay, we got a motion on the floor, we got a second regarding our Union Labor Contract, U.C. and IBEW 2022 through 2025; discussion?

Commissioner Kelly stated I think the benefits and what you guys have worked out are really well, I think employee retention is paramount right now, especially in our community where there's limited resources, meaning people resources to do these types of things; that's fabulous, that 401k thing is...

Mr. Chavez added plus 8%.

(7-b) Approval - 2022-2025 Collective Bargaining Agreement Between UCNSB and IBEW  
Local #2088 (cont.):

Chairman Davenport stated when I see people leave, I hear for something else I just shake my head because I know better.

Commissioner Kelly stated yes, I think the younger guys a lot of time they'll take that travel or that O.T. to get out of town to get the overtime and they don't look at the big picture. So I think its up to, I forget who brought that up, to present the big picture when they're coming in and say hey, this is what you've got here and for the future, the program.

Mr. Chavez stated and what we've committed to, as every as part of the governance model that we have, we've committed to doing a comp. study every three years, similarly with the rate study. In addition if there's anything that is based on market conditions, you know within now and the next comp. study, we will also look at specific instances to make things correct. Because we do not want to be, we want to be in line with our competition knowing and rewarding, these are our employees, and we want to do what's right for them for the long term.

Chairman Davenport stated well you know, anyone else want to comment? With no comment, he stated well, you know, my observation here looking at this, we've got the employees, we've got the 185 employees plus the five Commissioners – 190 right? So we're employees, correct?

Mr. Chavez stated yes.

Chairman Davenport what is it, \$42.00 a month, is it a month?

Commissioner Conrad stated we get a W-2.

Chairman Davenport stated get \$21.00 every, yes \$42.00. My suggestion, why couldn't we look at this, Commissioners here, like the City Commission, they get paid a good salary. I know we I'm not asking bringing that up, they get paid a salary or income. They get their benefits, and their insurance is paid for. Why couldn't we as employees get our insurance paid? We're giving our time, we're giving our energy, for signing us up and put us, I mean.

Commissioner Hawes stated it's part of the original law.

Chairman Davenport stated I don't know, let me ask that, Counsel can you give me some feedback on I'm thinking benefits for you giving your time and your energy, is that possible?

Mr. Cloud stated I do not know if it is covered in the Charter.

Mr. Bunch stated the pay is.

Mr. Cloud continued, and added I do know that it often is.

Mr. Bunch added, there's no mention of benefits.

(7-b) Approval - 2022-2025 Collective Bargaining Agreement Between UCNSB and IBEW Local #2088 (cont.):

Mr. Cloud stated does it?

Mr. Bunch stated just pay.

Mr. Cloud reiterated just pay.

Mr. Bunch stated and that's why its \$100 a month because in 1967 it was hard coded into the Charter.

Mr. Cloud stated this one is specified.

Mr. Bunch added and it hasn't changed since 1967.

Chairman Davenport stated we don't want to change it now, do we.

Mr. Bunch stated well, maybe Mr. Cloud could talk about what would be entailed in a Charter change.

Chairman Davenport stated what would be entailed, I'm curious.

Mr. Cloud stated a referendum.

Chairman Davenport stated by the, a voter referendum, for the community to vote?

Mr. Cloud stated yes, it's a Charter amendment. Okay, I've got this same issue right now in a small City in Polk County. And here's how I'm dealing with it there, I am putting together a Charter amendment for them that says they can set their, the City Commission can set their salary by Ordinance; that's how it's changing the Charter. And there's a built-in limiting factor there for City and County Commissioners who have a Charter like that right. Because, you know, how often are you going to consider that Ordinance, you're going to think long and hard before you do that, particularly in a year where there's been a lot of inflation. But it does not lock it in to some ridiculous number, right now they're locked into an equally goofy number of \$300 a year.

Chairman Davenport stated so ours is pretty goofy, huh? I take that, okay.

Mr. Cloud stated no, but their number was set up in 1925 and it hasn't changed since then. They're not a full-time City Commission, so there's..., but you can see its you know its out of step with the times that we live in, it's 100 years old. So you know \$300, 100 years ago, that was not chump change, but today it's almost an insult.

Chairman Davenport stated well and \$100 in '67 was good money too, believe it or not back then.

(7-b) Approval - 2022-2025 Collective Bargaining Agreement Between UCNSB and IBEW Local #2088 (cont.):

Mr. Cloud stated I can believe it, because I certainly never saw that much in my, 1967, I mean a quarter for cutting the yard or something like that.

Chairman Davenport stated that's two things I would like to see, on us, look and investigate as our Commission. Number one would be look into health insurance benefits and number two look into a referendum with our City Commission as far as what we could be paid for setting up here and giving our time and a lot of responsibility with millions of dollars. You're up here, you're accountable in a big way, we all are in a big way. Just a suggestion, me speaking out for the future, you know, for people who want to step up and do this position down the road. And I'm about to term out but I can get re-appointed I hope, you know just so I can give it one more term, but I was thinking about the future of the Commission; that's my opinion.

Mr. Cloud stated well, this is certainly something we can discuss.

Chairman Davenport stated okay, that's great. We have a motion on the floor, you heard the discussion. Any more discussion? There being none, then requested Mrs. Simmons to call the roll on the motion.

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

Mr. Chavez stated thank you.

Chairman Davenport stated great job Mr. Chavez, that was really two good reports, it's all been good.

(8) Possible Other Business – Time for Commissioners:

Chairman Davenport stated okay, item number 8. Time for our Commissioners. Commissioner Smith any?

Commissioner Smith stated a couple of things. I want to commend Ms. Couillard for helping me with a neighbor. We had a neighbor on my street that his, there was a feeder line that ran along his property line and it fed from Florida to Flagler. And under certain circumstances it would sound like bacon frying, which you know we all enjoy that but not if its electrical wires. So she got somebody over there almost right away and he was very happy with the response. And Mrs. Simmons, appreciate her help on getting that development data from the City for all the Commissioners, which I called her up and right away it was done. So I appreciate both of their efforts. Thank you.

Chairman Davenport stated all right, Commissioner?

Commissioner Hawes stated nothing today.

Chairman Davenport stated nothing, Commissioner Conrad?

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

Commissioner Conrad stated nope, it's all good, thank you all.

Chairman Davenport stated Commissioner Kelly?

Commissioner Kelly stated I think it is, you know, a great job Ms. Couillard and all the information that you brought up. I think though I've got to introduce Mr. Chavez to more people out at Venetian Bay because they all think I'm the Utilities Commission guy. And I can bring them right to the source when they come out, that way they won't call me, right Mr. Chavez? Yes, that's why he's at the gym at 5:00 am in the morning, don't want to run into anybody.

Commissioner Hawes commented I think that could be an employee retention issue.

Chairman Davenport stated well, that's good, anything else?

Commissioner Kelly stated no, thank you.

Chairman Davenport stated you know first of all I want to observe today, Ms. Couillard you did just a great job. I find it very interesting to watch this Commission and watch this Utilities Commission, if you will, blossom, I mean we're really doing some beautiful things. You working with the budget and the monies, that's very, I see that you're the Engineer correct? But you're over, I like seeing cross training if you will, learning, I can see right now you could give that report if Mr. Chavez wasn't here, you know could help us through it. And we understand it, and we did not understand it a few years ago, I can tell you right now I couldn't understand it, I didn't know what I was doing, I was so confused, I'm not now. It's very, very good and to be recognized.

Chairman Davenport continued, on another note, speaking of Mr. Chavez, I've been doing some thinking a whole lot, about this Utilities Commission and this structure and the number of employees and what we can do for them and how we can help them. And I've observed Mr. Chavez, if I could make a few observations, and I'm going to make a recommendation here, I'm making this recommendation. I've seen him work with Ms. Couillard, just like right here, that's a perfect example. I've seen Mr. Chavez help us, help me in a situation, and he's provided assistance. I made some notes here, he went to New York and he got us, with Mr. Bunch, and what a great thing, he saved us a million dollars in financing. And our legacy on that \$15 million we had out, plus another million dollars in future financing on a total debt of \$65 million. Mr. Chavez, that does not go unnoticed, that's huge, and the financing that we did, whoever thought that we'd see the market today. What would it be today if we were up there? What would it be Mr. Chavez, just curious, you think 8% - 7%-ish?

Mr. Chavez stated the way the markets are going right now, 5%, 6%, 7%.

Chairman Davenport stated and we got it at what?

Mr. Chavez stated 2.76%.

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

Chairman Davenport stated thank you. You know he led the close out of a big infrastructure program, 2021. While also we didn't know it, eliminating the need to track the fees collected against our zones. Also he does leadership and our rate studies, and what I'm going to recommend, and one of the most important things here is he's been on top of these audits that you approve of, that our committee approves of, and thank you, the people on the committee for making those decisions regarding our auditors. But I would like to see, if that's possible, to get a motion, Mr. Chavez steps in when our CEO's not here, Mr. Bunch. So I would like to see if we could, he's doing so much and taking on, title, the extra work load he's done, to see his title be Assistant, Executive Assistant Manager and CFO. I'd like him to see him be the Assistant Manager here, stepping in if that's possible. If I could hear some comments, I'd certainly appreciate them, thank you.

Commissioner Conrad stated I don't know how appropriate it is for us to discuss this in this forum. Certainly all of the things you've pointed out Chairman Davenport are accurate and I'm sure I could add a couple to them, he's certainly a pleasure to work with. But I would like to recommend that we take time to look at this again. I certainly think he's deserving of a lot of commendation for the work that he's done.

Commissioner Kelly stated yes, I would agree with Commissioner Conrad, I agree with everything you said. I mean being new here, I did learn some new acronyms today too, but everything that's said, and everything that, the change, Chairman Davenport I've not been here that long but just to see the changes, the things, the way things were to where they're at now, I mean I do a lot of listening just to catch on to it but Mr. Bunch, Mr. Chavez, and Ms. Couillard, the whole team, it's a great organization, well run. And commend the Commissioners too on being part of it that were here when that was going on, but the improvements and things we've seen. And the things that are coming, I mean the challenges before them with the things that are coming because you know we've talked about distribution logistics and all that kind of stuff, it's really tough to get parts and pieces.

Chairman Davenport stated to respond to you, he is the Assistant Executive Director if you will, he's taken on more roles too, he's doing a lot more, and he's when Mr. Bunch isn't here to recognize him as being the Director in charge obviously, the person in charge. But it's just a title change, it's not asking for a, if you will, right now salary review, but I think he's merited of what I'm requesting.

Commissioner Kelly stated and I was saying I do not have a problem with that, I don't know, is it our position to do that, that's what I don't...

Chairman Davenport stated I don't know if it is, I'm asking now. I guess I ought to ask our attorney down there if I'm out of order here, am I doing something, it's just something I want to bring up, so that's the way I am. I'm pretty transparent and clear, transparent.

Mr. Cloud stated first of all I don't think its inappropriate to discuss this, and you'd have to be blind not to see the leadership role that Mr. Chavez has been playing and so it's certainly well within your discretion to discuss. And I think that it is probably within the ability of the

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

Commission to have an Assistant, I just, I think you can, if you're of a mind to do that today, to put it in motion. The only thing I want to check to make sure that it, this may be something that your CEO has the ability to do within the restructuring of the Commission. I know that we covered it in one of the Resolutions I believe.

Mr. Bunch stated yes, I think...

Mr. Cloud added, I'm having just a senior moment to remember.

Mr. Bunch added, from my contract standpoint, this is paraphrased, hiring, firing, promotions, is my job, one of the responsibilities. But I think recognizing the performance that the Chairman highlighted, and it sounds like everybody else aligns with, it would be nice to have the support in the form of that recommendation to acknowledge Mr. Chavez' contributions. Hearing it come from the Commission to me is fantastic, rather than me say hey, I had this idea last month, put it in place, I thought I would tell you about it. It's good to hear it from the Commission that you see staff's contributions and would like us to recognize them. I fully support it and so since I guess December or January, Mr. Chavez has also been carrying the responsibilities of one of the prior Directors and likely I would keep that reporting relationship in place as well. But to have this discussion and move to make the Assistant General Manager position, I would think it's a great idea.

Commissioner Kelly stated do you have to have a job description to do that, do we have to have it on file?

Mr. Bunch stated no.

Commissioner Hawes stated maybe if I could add as a...

Mr. Cloud stated you don't have any other one on file, do you?

Mr. Bunch stated but we have job responsibilities, and you know job summaries but those are told to use as benchmarks.

Mr. Cloud stated yes, I think the form of a recommendation is a good solution.

Commissioner Hawes then stated I'm sorry, let me complete my statement if you don't mind, I'm going to complete my statement.

Chairman Davenport stated excuse me Commissioner Hawes, thank you.

Commissioner Hawes stated that's okay, I think what Chairman Davenport was doing is posing this more in the form of a question than a blanket statement and so I think I don't have any issues with that. But what I would like to see if its possible Mr. Bunch, once you have a chance to take a look at this is maybe we can see what others do, in other words similar structures, are they Assistant General Managers or are they whatever they are, just so we're all in coordination if that's what you call it.

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

Mr. Bunch stated yes, its not out of line to have an Assistant General Manager. Some organizations have a Chief Operating Officer but our organization, I don't think that's needed in this organization. I think a GM role, if we included everything, the organization that I was contemplating it would be aligned with that and would recognize Mr. Chavez for his contributions as well.

Chairman Davenport then asked Commissioner Hawes if he had further comments.

Commissioner Hawes stated no, I think that's, and I wondered, I think what you're doing is posing a question, not a...

Chairman Davenport stated I'm posing a question, observation, question, and a recommendation to try to get a vote for what I'm requesting.

Commissioner Hawes stated oh, okay.

Chairman Davenport stated and my question now Mr. Bunch to you, do you have a problem with what I'm requesting here, and do you support it. Just let the Commission know if you don't.

Mr. Bunch stated I fully support it.

Commissioner Smith stated I would just add one, you know a title change or promotion without something to do with salary is like a cake without icing.

Chairman Davenport stated well, I'm not going to eat that cake if it doesn't have icing Commissioner Smith.

Commissioner Smith stated I mean that's been my experience, I've had a title change and a promotion without a salary increase and it was you know it was a warm feeling, like wetting your pants, you know, but it, just do anything my suggestion would be to have...

Mr. Bunch stated so we, just to rest assured, the concern you have, when we create a new role, we benchmark it with the same people that did the salary survey and then would say well, somebody's here now, we think you ought to move them into this salary range.

Commissioner Smith stated I just, to piggyback what your motion or I don't know if it's a motion yet, but I would say let's give Mr. Bunch an opportunity to look into this issue and come back at the next meeting, or if that's too early, and let us know what he thinks because I think that's really important in a management structure to follow the chain of command; but that would be my thought.

Commissioner Hawes stated I agree.

Commissioner Conrad stated however I think, and I agree with you fully, however I also think what we've done here is we've got a consensus among the Commissioners that we believe

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

there's merit in doing this review and that it's amazing some of the things that Mr. Chavez has done, so we do have a consensus.

Chairman Davenport stated absolutely, amazing.

Commissioner Smith stated we do.

Commissioner Kelly then stated I do, Commissioner I think we do have a consensus, I think its important the title, putting Assistant before something. To, we know, I mean it might be to us we know Mr. Chavez but to the outside public or to somebody coming in to do business Assistant isn't a good title. You know, I mean it needs to have, to your point the title that may be Mr. Bunch would come up with something like that.

Mr. Bunch stated good feedback.

Commissioner Kelly continued, the consensus is hey, we're all on board with what you said in your statement, it's a statement of fact.

Commissioner Hawes stated exactly.

Chairman Davenport stated so we've got a consensus, Mr. Bunch, it is my understanding from Commissioners, that you will review this, do some review and get back to us and let us know, give us some direction.

Mr. Bunch stated next month.

Chairman Davenport stated yes sir.

Mr. Bunch stated absolutely.

Chairman Davenport stated thank you. Anything else?

Commissioner Conrad commented you have four more minutes and then it will be two hours.

Chairman Davenport then stated anybody else have anything to say Commissioners, I'm going to keep this under two hours. Thank you very much for a great meeting everybody, meeting adjourned.

There being no further business to come before the Commission, the Regular U.C. Meeting closed at 4:57 p.m.

{NOTE – Effective at the U.C.'s 3-22-21 Regular U.C. Meeting, commencing with the minutes for Two Final Public Hearings and Regular U.C. Meeting Held 2-22-21, the Commission will start approving annotated minutes within the agenda package. These detailed, near verbatim minutes will still be prepared for reference, electronic searches, and will additionally be posted on the U.C.'s website – [ucnsb.org](http://ucnsb.org).}