



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

**AGENDA\*\***  
**REGULAR MEETING OF THE**  
**UTILITIES COMMISSION,**  
**CITY OF NEW SMYRNA BEACH, FLORIDA**  
**TO BE HELD MONDAY, MARCH 28, 2022,**  
**AT 3:00 P.M.\*\* 200 CANAL STREET, DEBERRY**  
**ROOM, 3<sup>RD</sup> FLOOR, NEW SMYRNA BEACH, FL**

(COVID PROTOCOLS – MTG. APPTS., MASKS OPTIONAL)

## RESULTS OF UC MEETING

### **PRESENTATION OF CERTIFICATE FOR COMPLETION OF APPRENTICESHIP FOR LINE MAINTAINER FROM FLORIDA DEPT. OF EDUCATION TO JASON COX AND RYAN COMPTON**

(DIRECTOR OF ELECTRIC OPS. EXPLAINED APPRENTICESHIP PROGRAM WAS A 4-YR. PROGRAM – 8,000 HRS. OF TRAINING, QUITE AN ACCOMPLISHMENT FOR THE EMPLOYEE AND THEIR FAMILIES. PROGRAM IS CERTIFIED BY FL DEPT. OF EDUCATION AND IS RECOGNIZED THROUGHOUT U.S.)  
(JASON COX WAS IN ATTENDANCE AND RECEIVED HIS CERTIFICATE IN PERSON – PRESENTED BY DIRECTOR OF ELECTRIC OPS. AND UCNSB CHAIRMAN)

### **Pledge / Invocation**

#### **And Safety Message by John DeFries and Matt Murray – TRENCH SAFETY**

(MANAGER OF SAFETY & RISK AND INTERIM DIRECTOR WATER RESOURCES PROVIDED THIS PRESENTATION. INCLUDED STATISTICS OF TRENCH-COLLAPSE DEATHS 2003-2020 AND TRENCH/ EXCAVATION STANDARDS, DETAILS RE: CURRENT U.C. SAFETY PRACTICES FOR MANAGEMENT OF TRENCH SAFETY AND PURCHASE OF NEW EQUIPMENT – “BUILD A BOX”, WITH PHOTOS OF EMPLOYEES UTILIZING SAME) (VARIOUS U.C. COMMS. COMMENDED GM-CEO AND STAFF FOR THESE SAFETY MESSAGES PROVIDED PRIOR TO EACH REGULAR U.C. MTG.)

### **ROLL CALL**

1. **Agenda Changes, Additions and Deletions**
2. **Public Participation**
- \*3. **Approval of Consent Items** (APPROVED -- CONSENT ITEMS APPROVED AS SUBMITTED)
  - a. ✓ Minutes of U.C. Modernization Strategy Update Workshop Held 2-10-22; Special U.C. Meeting Held 2-28-22; and Regular U.C. Meeting Held 2-28-22 (*Annotated Versions*) (*U.C. and State Requirements*)
  - b. ✓ Purchase of One IMS A-758 Lime Slaker System for Water Treatment Plant / Glencoe – (single source purchase - Integrity Municipal Systems, LLC) – S. Heil (*U.C. and State Requirements*)
  - c. ✓ Award of ITB No. 08-22 – WRF Bio-Solids Processing and Disposal (Revinu, Inc.) – S. Heil (*U.C., State, & Federal Requirements*)
  - d. ✓ Ratification of Award – ITB No. 04-22 for 5<sup>th</sup> Street Bridge Utility Relocation Project (Young’s Communication, LLC) – J. Couillard (*U.C. and State Requirements*)
  - e. ✓ Project Approval – Water Reclamation Facility (WRF) Master Plan (CPH, Inc.) – J. Couillard (*U.C., State, and Federal Requirements*)
  - f. ✓ Ratification of Emergency Repair – South Riverside Drive 12” Water Main Repair and Single Sourcing to Young’s Communication, LLC – J. Couillard (*U.C. and State Requirements*)



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

**\*3. Approval of Consent Items (CONT.)**

**(APPROVED – CONSENT ITEMS APPROVED AS SUBMITTED)**

- g. ✓ Approval of Change Order No. 1 (Young’s Communication, LLC) for Barracuda Bridge Utility Replacement Project and Increase in Overall Project Budget – J. Couillard  
(U.C., State, and Federal Requirements)
- h. ✓ Proclamation Declaring April 2022 Water Conservation Month – E. Chavez (U.C. and State Requirements)

**4. General Manager’s Report – J. Bunch**

a. Financial Status – February 2022 – E. Chavez **(DIRECTOR OF FINANCE PRESENTED FEB. 2022 FINANCIAL PERFORMANCE. FYTD REFLECTED A CHANGE IN NET ASSETS OF APPROX. \$2.3 MILLION, INCLUDING \$0.5M MARK TO MARKET (MTM) ADJUSTMENT. DRIVEN BY INCREASED REVENUE, CAPITAL CONTRIBUTIONS, LOWER OPERATING EXPS. OFFSET BY LOWER ELECTRIC CONSUMPTION AND INCREASED PURCHASED POWER. (NOTE - MTM ADJUSTMENT (NON-CASH) IS REQUIRED ACCTG. ENTRY TO RECORD UCNSB’S INVESTMENTS AT FAIR MARKET VALUE.) YEAR OVER YEAR ELECTRIC CONSUMPTION LOWER BY 4% - DRIVEN BY MILD WEATHER. FEB. FYTD PURCHASED POWER PRICE \$64.94/MWh, 25% INCREASE FROM PRIOR YR. FYTD CAPITAL EXPENDITURES APPROX. \$8.7M: \$4.9M MAJOR PROJECTS AND \$3.8M ANNUAL PROJECTS. FYTD OPERATING INCOME \$0.5M, \$3.6M GREATER THAN 2-2021. CURRENT FPPCAC, CREDIT OF \$3.98/1,000 kWh, RESERVE OR OVER-RECOVERY BALANCE IS NOW LOWER AT \$4.9M. INCREASE IN REVENUE DUE TO REDUCING BALANCE BUT WILL NEED FPPCAC ADJ. - TARGET BALANCE IS \$5M. PLANNING FPPCAC ADJ. REQUEST AT 4-2022 REG. UC MTG. FEB.’22 CAPITAL CONTRIBUTIONS \$1.5M, \$0.6M HIGHER THAN PRIOR YR. FY22 INCOME BEFORE CAPITAL CONTRIBUTIONS AT \$0.2M, LAST YR. AT \$3.5M LOSS—A \$3.7M YEAR OVER YEAR IMPROVEMENT. PROVIDED UPDATE ON UC INVESTMENTS W/FMPA AS UC AGENT. \$10M IN FL PRIME AND \$30M IN 9 DIFF. HIGH-QUALITY INVESTMENT PRODUCTS IN ACCORDANCE W/UC’S APPROVED INVESTMENT POLICY. TOTAL INVESTMENT EARNINGS FYTD \$24,600 COMPARED TO \$10,400 IN FEB.’21. CURRENT EST. ANNUAL INTEREST EARNINGS, APPROX. \$250,000. BRIEFLY DISCUSSED KPI’S, IN GOOD SHAPE, MAKING PROGRESS ON ELECTRIC RELIABILITY METRICS AND IMPROVEMENTS. GM-CEO PROVIDED ADDITIONAL CLARITY RE: CAIDI, SAIFI, AND SAIDI AND UC STATED TARGETS EXPECTED TO BE REACHED OVER NEXT COUPLE OF YEARS)**

b. Presentation - Transmission Line Outages – Static Wire – J. Couillard and V. Steele **(DIRECTORS OF ENGINEERING AND ELECTRIC OPS. PROVIDED PRESENTATION: “TRANSMISSION LINE MATERIAL CONDITION, ROOT CAUSE ANALYSIS AND CORRECTIVE MEASURES”. EXPLAINED TRANSMISSION LINE OUTAGES CAUSED BY STATIC WIRE IN NOV.’21. OUTAGE INVESTIGATION (VIA DRONES AND CREW PATROLS) DISCOVERED DISSIMILAR METALS USED DURING INSTALLATION CAUSED GALVANIC CORROSION. LIKELY A 1990’S MATERIAL SELECTION IN FIELD. PLANNED CORRECTION REPLACE APPROX. 1 MILE OF STATIC AND CONNECTORS, MATERIALS ORDERED, TO COMPLETE IN APR.’22. SUBSEQUENT TRANSMISSION OUTAGES- MAR.’22, OUTAGE INVESTIGATION DISCOVERED AGAIN SYSTEMIC GALVANIC CORROSION AND LOOSENED BOLTED CONNECTIONS. ADDIT. CORRECTIVE MAINTENANCE ACTIVITIES NEEDED - REPLACEMENT OF 3.5 MILES OF STATIC WIRE AND CONNECTORS. WILL NEED TO ORDER MATERIALS, TO INCLUDE CONCRETE POLE CAPS AND WIRE REPLACEMENT AT EACH SUBSTATION. TARGET COMPLETION – JUNE 2022 PRIOR TO STORM SEASON. MOVING FORWARD W/INITIAL CORRECTIVE ACTION VIA GM-CEO EMERGENCY APPROVAL BASIS. RATIFICATION FOR INITIAL REPAIRS PLUS TOTAL COSTS FOR BOTH CORRECTIVE ACTIONS TO BE PROVIDED FOR COMMS. APPROVAL AT 4-25-22 REGULAR UC MTG.)**



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

**5. Commission Counsel's Report – General Counsel (G.C. CLOUD ADVISED U.C. COMMISSION A MEDIATION ON THE HYPOWER CASE HAS BEEN SCHEDULED FOR MAY. WILL NEED ADVICE CONCERNING LITIGATION STRATEGY AND EXPENSES. WILL CONFIRM UCNSB IS NAMED AS A PARTY ON CURRENT PROCEEDING AND A CLOSED EXECUTIVE SESSION COULD THEN BE HELD LATE APRIL. SUGGESTED HOUR EARLIER FOR START TIME OF REGULAR UC MEETING. AND IF NOT, INDIVIDUAL MTGS. WILL BE HELD IN ACCORDANCE WITH THE SUNSHINE LAW. COMMS. APPROVED MOTION TO AUTHORIZE G.C. AND RECORDING SECRETARY TO SCHEDULE EITHER AN EXECUTIVE SESSION OR INDIVIDUAL MEETINGS IN ACCORDANCE WITH STATUTE / SUNSHINE LAW, ON THE HYPOWER CASE) (G.C. CLOUD MENTIONED UPCOMING GRAY ROBINSON ANNUAL EVENT “BOURBON AND BUBBLES”)**

### **6. Old Business**

### **7. New Business**

a. ✓ Fiscal Year 2021 Annual Comprehensive Financial Report (ACFR - Audit) – E. Chavez (U.C., State, and Federal Requirements) (APPROVED/ACCEPTED FY2021 ACFR) (RONALD WHITESIDES, WITH PURVIS, GRAY & CO. UC'S EXTERNAL AUDITORS, PROVIDED A REVIEW AND DISCUSSION ON FY2021 ACFR (AUDIT). INDICATED THIS WAS THE CULMINATION OF THE AUDIT PROCESS, TO DELIVER THIS REPORT FOR COMMS. ACCEPTANCE. ADDED THIS WAS THE 4<sup>TH</sup> CONSECUTIVE YEAR AS UC'S EXTERNAL INDEPENDENT AUDITORS. COMMENTED UC TEAM DOES A VERY GOOD JOB OF PROVIDING ACCURATE FINANCIAL INFO., HAS RIGHT TYPES OF CONTROLS AND PROCESSES IN PLACE SO THE GOVERNING BODY, CUSTOMERS AND BOND ISSUERS CAN RELY ON THIS FINANCIAL DATA. DISPLAYED AND DISCUSSED THE UNMODIFIED OPINION – HIGHEST LEVEL OF ASSURANCE AN AUDITOR CAN RENDER; AND MDA – THE WHY'S OF SOME OPERATING RESULTS, AND IS REVIEWED BY AUDITORS AND IS ACCURATE. THEN COVERED SELECTED PORTIONS OF THE FINANCIAL STATEMENTS – FY INCOME STATEMENT – REVENUES UP \$3.79M, ELECTRIC JUST UNDER \$3M, WATER \$300k AND RECLAIMED \$500k. EXPENSES INCREASED \$3.1M, WITH MAJORITY \$2.9M, IN POWER COSTS. HAD IMPROVEMENT IN NON-OPERATING ITEMS, WITH A NET LOSS OF \$1.5M IN INCOME BEFORE CONTRIBUTED CAPITAL, COMPARED TO \$2.5 MILLION PRIOR YEAR. INCLUDES DEPRECIATION OF \$9M, NON-CASH EXPENSE; PRIOR TO RATE ADJUSTMENTS. CURRENT ASSETS INCREASED FROM \$25M TO \$33M. IN 2021 UC SWITCHED GEARS TO UTILIZING BOND FUNDS FOR CONSTRUCTION PROJECTS, TO ALLOW REPLENISHMENT OF R&R FUNDS. RESERVE SHOULD BUILD AT A RATE OF ABOUT \$6M PER YEAR IF NOT EXPENDED. \$18M DECREASE IN RESTRICTED NON-CURRENT ASSETS - \$15M BOND FUNDS BEING EXPENDED AND REST MAINLY REFUNDS OF DEVELOPER INFRASTRUCTURE FEES. TOTAL ASSETS AT \$214M, COMPARED TO \$200M PRIOR YEAR. INCREASES AS ITEMS CONSTRUCTED BUT NOTED ARE ALSO BEING DEPRECIATED. NON-CURRENT LIABILITIES DECLINED FROM \$99M TO \$93M. UC'S NET PENSION LIABILITY DECREASED FROM \$2.7M TO \$700,000 - FRS HAD AN EXCELLENT ANNUAL RATE OF RETURN. LONG-TERM OBLIGATIONS DECREASED FROM \$79M TO \$77M – PAY-DOWN OF DEBT ON BONDS. UNRESTRICTED EQUITY/NET POSITION INCREASED FROM \$6M TO \$12.8M, DUE TO PLANNED USE OF BOND PROCEEDS THIS YEAR IN LIEU OF R&R FUNDS FOR CAPITAL CONSTRUCTION) (CFO RESPONDED TO INQUIRY RE: TARGET FOR R&R FUNDS RESERVE – 90 DAYS; CURRENTLY AT APPROX. 34 DAYS) (MR. WHITESIDES ALSO PROVIDED UC COMMS. WITH A PAPER COPY OF THE “COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE”, A REQUIRED COMMUNICATION AND PROVIDED SOME HIGHLIGHTS OF SAME.) (GM-CEO PROVIDED A QUICK SUMMARY OF THE DELIBERATE FINANCIAL STRATEGY OVER THE LAST THREE YEARS AND STEPS TAKEN. POINTED OUT CURRENTLY UCNSB AT \$16 PER CUSTOMER ACCOUNT,



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## RESULTS OF UC MEETING (CONT.)

### 7. New Business

a. ✓ Fiscal Year 2021 Annual Comprehensive Financial Report (ACFR - Audit) (CONT.)  
LAST YR. WAS IN THE RED. GOOD OVERALL TRAJECTORY OVER THAT PERIOD OF TIME - 30 PLUS DAYS  
OF CASH ON HAND NOW, AT A PRETTY HEALTHY PLACE AT THIS POINT. DEFINITELY HEADING IN THE  
RIGHT DIRECTION AND NEXT YEAR WILL SHOW MORE OF THE SAME)

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

(COMMS. KELLY COMMENDED THE SAFETY MESSAGES AT MONTHLY MTGS., THE GREAT PROGRESS  
WITH IMPROVEMENTS, AND ALSO THE MANAGEMENT OF EXPENSES)

(COMMS. SMITH INDICATED AFTER DISCUSSION WITH GM-CEO, STAFF WILL BE PROVIDING A LIST OF  
ITEMS RAISED AT JOINT CITY/UC WORKSHOP (HELD 2-24-22), AT NEXT REGULAR U.C. MTG. (4-25-22).  
COMMS. WILL HAVE THE OPPORTUNITY TO COMMENT ON HOW TO FOLLOW UP ON THOSE ITEMS.  
ADDED THIS MAY BE A BEST TIME RELATIONSHIP-WISE TO COME UP WITH SOME GOOD IDEAS TO  
WORK TOGETHER ON WITH THE CITY)

(COMMS. HAWES ECHOED PREVIOUS COMMENTS AND COMMENDED THE AUDIT AND MANAGEMENT  
DISCUSSION AND ANALYSIS, UCNSB SEEMED TO BE HITTING ON ALL CYLINDERS. ALSO ADDED THIS  
ASSISTED WITH UNDERSTANDING UCNSB ACCOUNTING AND CASH FLOW PIPES)

(CHAIRMAN DAVENPORT MENTIONED HIGH COSTS ASSOCIATED WITH GOPHER TORTOISE  
RELOCATIONS. ALSO EXPRESSED APPRECIATION FOR CURRENT U.C. COMMISSIONERS AND STAFF FOR  
U.C.'S SUCCESSFUL INVESTMENT EFFORTS. CONCURRED WITH WORKING WITH THE CITY ON MUTUAL  
GOALS, ENCOURAGED ALL TO KEEP IT GOING IN THIS POSITIVE DIRECTION.

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

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