

AGENDA ITEM 3-a

MINUTES OF A REGULAR MEETING OF THE NEW SMYRNA BEACH UTILITIES, CITY OF NEW SMYRNA BEACH, FLORIDA, HELD MONDAY, AUGUST 22, 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. Also commented this is August 22nd today, boy it's going quick, 2022. First, please stand up for the pledge, requested Commissioner Smith to lead in the pledge.

Commissioner Smith led in the Pledge of Allegiance.

Upon conclusion, Chairman Davenport stated Commissioner Conrad please, the prayer, thank you ma'am.

Commissioner Conrad provided the invocation.

Chairman Davenport then stated okay, and commented, just an observation, its really nice to, at a lot of meetings can't be started out with the Pledge of Allegiance and a prayer, but it sure makes you feel better you know, to get something started out. And then stated thank you always Commissioner Conrad for praying on us real good and making things happen.

Safety Message by Efren Chavez – Back to School Safety Awareness:

Chairman Davenport stated okay, if we could, we've got a safety message here from our Vice President/CFO, Mr. Chavez.

Mr. Chavez came to the podium and stated good afternoon everybody. So on the screens there is the safety message and really with everything going on "Back to School Safety". Then went to the next slide and stated so school days bring congestion, school buses are picking up their passengers, kids on bikes, it's never more important for drivers to slow down and pay attention. I believe Volusia County started this past Monday, so a week ago today. Before and after school, if you're dropping off, schools often have very specific drop off procedures for the school year. Make sure you know them for the safety of all kids, don't double park, don't unload, load or unload children from across the street from the school, and carpool to reduce the number of vehicles. I do notice a number of longer lines because everyone's waiting to drop off their children and still not getting into the groove of drop off.

Mr. Chavez went to the next slide and stated okay, sharing the road with young pedestrians, according to research by the National Safety Council, most of the children who lose their lives in bus related incidents are four to seven year olds, and they're walking. Hit by the bus or a motorist illegally passing a stopped bus. A few precautions will go a long way: don't block the crosswalk when flashers are blinking, stop and yield to pedestrians. Always stop for a school patrol officer, take extra care to look out for children in school zones. Don't honk or rev your engine to scare pedestrians, never pass a vehicle stopped for pedestrians. Always use extreme caution to avoid striking pedestrians wherever they may be, no matter who has the right-of-way. Sharing the road with school buses. So if you're driving behind a bus allow for a greater following distance than if you were driving behind a car, it will give you more time to stop once yellow lights start flashing. It's illegal in all 50 states to pass a school bus that is

Safety Message by Efren Chavez – Back to School Safety Awareness (cont.):

stopped to load or unload children. Some others, never pass a bus from behind if the yellow, red lights are flashing and the stop arm is extended, traffic must stop. The area ten feet around the school bus is the most dangerous for children, stop far enough to allow them to safely enter and exit the bus. Be alert, children are often unpredictable and they tend to ignore hazards and take risks, especially coming out of school.

Mr. Chavez went to the next slide and stated sharing the road with bicyclists, on most roads, bicyclists have the same rights and responsibilities as vehicles, but bikes can be hard to see. Children riding bikes create special problems for drivers because they usually are not able to properly determine traffic conditions. The most common cause of collision is a driver turning left in front of a bicycle. So just a couple of tips, when passing a bicyclist proceed in the same direction slowly and leave three feet behind your car and the cyclist. When turning left and a bicyclist is approaching in the opposite direction, wait for the rider to pass. If you're turning right and a bicyclist is approaching from behind on the right, let the rider go through the intersection first and always use your turn signals. Be extra vigilant in in school zones and residential neighborhoods. Watch for bikes coming from driveways and check side mirrors before opening your door. By exercising a little extra care and caution, driver and pedestrians can co-exist safely in school zones. So please, just keep an eye out and slow down for conditions particularly around schools and around stopped buses. Any questions?

Chairman Davenport stated Mr. Chavez you did a great job and added, timed that perfectly for Commissioner Kelly.

Mr. Chavez stated you're welcome, thank you.

Chairman Davenport stated good job. Okay, if we could please, Mrs. Simmons, call the roll please ma'am.

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

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

Others in attendance at this time were as follows: J. Bunch, General Manager/CEO; E. Chavez, Vice President/CFO; V. Steele, Director, Electric Operations; J. McMurray, Director, Strategic Programs; J. Grusauskas, Director, Water Resources; D. Wood, Senior Manager, Customer Service and Communications; Heather Carrizales, Senior Manager, Support Services; J. Michel, I.T. Manager, Infrastructure; 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, Lisa Martin, Valli Perrine, all members of the public in attendance on site.

(1) Agenda Changes, Additions and Deletions:

Chairman Davenport stated okay, next thing, Mr. Bunch, any changes, additions or deletions to our meeting today?

Mr. Bunch stated no Chairman.

Chairman Davenport stated thank you sir.

(2) Public Participation:

Chairman Davenport stated public participation, any public participation anywhere, and from the phone, do we have anybody on the phone?

Mrs. Simmons indicated no one on the phone.

Chairman Davenport stated okay, moving right along.

There was no public participation at this time.

(3) Approval of Consent Items:

Chairman Davenport stated item number three, approval of consent items. Do I have a motion for consent, does anybody want to pull anything? Commissioner Smith?

Commissioner Smith stated no sir.

Chairman Davenport stated Commissioner Hawes?

Commissioner Hawes stated no.

Chairman Davenport stated Commissioner Conrad and Commissioner Kelly?
Both indicated no.

Commissioner Conrad then stated I'll make a motion to approve the consent...

Chairman Davenport then interjected may I do something please?

Commissioner Conrad stated oh, sure.

Chairman Davenport stated I think I'd like to pull this one right here and I'll tell you why, let's just look at it. I want to pull d., talk about d. just briefly if I could. When I was reading our package, I was looking at all the things that we do and one thing that caught me, that I would make, and I don't know how to go about this, if this is the change. But I'd like to make the change where it says voluntary coverages for his dental, vision, this is Mr. Bunch's contract, for dental, vision or supplemental are available for purchase. We're paying and doing everything for this man and he's doing such a great job, you might be talking pennies a

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

month for dental insurance or eye coverage insurance, it's not expensive. I would like that be, see that be a part of his package personally. So any comments or where do we go with this please?

Commissioner Conrad stated I don't have an objection, that's fine.

Commissioner Kelly stated do you have an objection, directed toward Mr. Bunch.

Chairman Davenport added, and again in the scheme of things it is...

Mr. Bunch stated I don't know what it reads to be honest with you so...

Chairman Davenport stated well, you've got to purchase it if you want it, and I don't think you should have to purchase it because you're provided everything else. You're provided your health insurance, we split your..., you've got a package here but you're purchasing this thing and I don't feel like you should.

Mr. Bunch stated I appreciate that, thank you sir.

Mr. Cloud stated well, so what you would do then is in the bullets set out in section 5., and I think it is the eighth bullet, voluntary coverages including dental, vision and supplemental are available for purchase, the costs of which...

Chairman Davenport interjected are available for purchase.

Mr. Cloud stated yes, shall be paid by the Commission. Is that what your motion is?

Chairman Davenport stated yes sir.

Mr. Cloud stated okay.

Commissioner Kelly stated Mr. Chairman, the only thing and like in dealing with those types of things, what's the precedent for the whole entire staff. What is, I mean you know, he's the top of the management, I mean it's a team effort and there's a lot of people involved in there. And I mean that's what, almost defer to Mr. Bunch for comments on it, or I hate to say it we can't defer to Mr. Chavez on it but that would be the person that you would want to defer a question like that.

Chairman Davenport stated if I remember correctly, the benefits package, I almost remember that being included for our employees, that part of it, eye, dental and vision is included. Do you remember that Mr. Chavez?

Mr. Chavez indicated he would need to look back on it.

Chairman Davenport stated okay.

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

Mr. Bunch stated in terms of precedent, the Commission has two employees per se, the rest of the broader organization reports to me. Mr. Cloud and I are contractual, nobody else is contractual, none of the Directors and none of the employees. So nobody has a document similar to this one, and I don't know all the t's and c's of what's in our H.R. Manual to be honest with you, but it varies by tenure and...

Mr. Cloud stated I don't think it violates your H.R. Manual if that's the question. I think that you have a great degree of flexibility in the contract that you sign with your CEO.

Commissioner Kelly stated I almost wouldn't be worried about being in violation, is it equitable, is it fair across, you know that type thing. And we're just looking at it ourselves at the store, because dental and eye just became a lot, for some reason, a lot more aggressively cheaper in the market than we've been paying for it. So that's my only question with it, I think Mr. Chavez you know he's entitled to it in his job role and position and everything, so I'm not questioning that, it's just across the board. You know do we look at it across the board before you make a decision or do we just say hey, this is what we want to do, let's just do it.

Mr. Cloud stated you're not obliged to when you're looking at, I mean Mr. Bunch is right, this is a one-off.

Commissioner Kelly stated okay.

Mr. Chavez stated it's a contract, so we don't, whatever we do per this contract does not set...

Mr. Cloud interjected it's not precedent.

Mr. Chavez continued, does not set precedent for others.

Chairman Davenport stated it's just something, that little bitty something extra because Mr. Bunch is so valuable to this organization. Any time we can see something to keep that carrot a little bit bigger in front, I mean we want to keep it.

Commissioner Kelly stated sure.

Chairman Davenport continued I just think that's a little expense way to keep a bigger, get the carrot even bigger.

Mr. Chavez stated we can adjust it; we can adjust the contract.

Chairman Davenport stated modify it.

Mr. Chavez stated yes, okay.

Chairman Davenport stated do we need to have a motion and vote on that?

Mr. Cloud stated well...

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

Commissioner Conrad stated I think we can, can we include it with a change in number d., as proposed.

Mr. Cloud stated yes, who, is there a motion on the floor?

Commissioner Conrad stated no, not yet, we're going to make it.

Mr. Cloud stated okay, so the motion would be to approve the consent agenda with the modification to the CEO's contract in section 5., read by General Counsel.

Commissioner Conrad stated I would make that motion - a motion approving the consent items a. through f., with a modification to item d., the GM/CEO's employment contract in section 5. which was read by General Counsel. Specifically, approval of item 3-a. Minutes of Final Public Hearing and Regular U.C. Meeting Held 7-25-22, approve as submitted; item 3-b. Approval of Award – RSQ No. 10-22 – Continuing Professional Service Agreements, approve award of RSQ No. 10-22 to the selected firms shown and listed on the summary section of the agenda item: Burns & McDonnell Engineering Company Inc. (Electrical); Atwell, LLC (Electrical); Stantec Consulting Services Inc. (Electrical and Civil); CPH, LLC (Civil and General Services & Mapping); Tetra Tech (Civil); and EMT Surveying & Mapping, Inc. (General Services & Mapping), and authorization for the General Manager/CEO or his designee to execute the attached Continuing Services Agreements with these firms; item 3-c. Approval – Fire Hydrants Inspection and Flow Testing Agreement Between UCNSB and County of Volusia, approve this agreement attached to the agenda item for an initial four-year term; item 3-d. Agreement Renewal – General Manager/CEO Employment Agreement, approve renewal of the agreement attached to the agenda item as modified in section 5. which was read by General Counsel (modify for NSBU to pay for GM-CEO's voluntary coverages, i.e., dental, vision and supplemental insurance. Upon approval this renewed agreement will take effect on 10-1-22 and shall terminate on 9-30-26, unless renewed or earlier terminated as permitted by the Commission; item 3-e. Ratification Approval – Annual Chemicals / Water and Wastewater 2nd Year Renewal Option Price Adjustments, ratify the percentage increases in excess of \$75,000 for fiscal year 2023, for the second-year renewal of ITB No. 25-20, in the annual total amounts for Allied Universal \$237,600.00, Carmeuse \$592,848.00, and Odyssey Manufacturing \$209,250.00; and if needed authorization for the GM-CEO or designee to approve the 3rd final renewal of ITB No. 25-20; and item 3-f. Project Approval – WRF Biosolids Dewatering Improvements, approve this project in the total amount of \$1,400,000.00, including the proposal from CPH Consulting, LLC in the amount of \$114,470.00, and authorize the GM-CEO or his designee to execute all documents associated with this matter.

Commissioner Kelly stated I would second.

Chairman Davenport stated okay, any more discussion.

Commissioner Smith stated well, I think it's very important to have those benefits and commented I want Mr. Bunch to have nice teeth.

Mr. Bunch stated I appreciate that, thank you Commissioner.

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

Chairman Davenport stated hey, you know what you've got to laugh, you just can't sit here all the time, have fun. Okay, Mrs. Simmons, anybody, any more discussion Commissioners? Mrs. Simmons would you call the roll please ma'am.

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

Commissioner Hawes then stated did we approve all of 3. (consent items)?

Commissioner Smith stated yes, we did, we got them all.

Mr. Cloud stated yes sir.

(4) General Manager's Report:

Chairman Davenport stated and item number 4., General Manager's Report, Mr. Bunch.

Mr. Bunch stated okay, I'd like to ask Mr. Chavez to come up again and give us the July Financial status report.

(4-a) Financial Status – July 2022:

Mr. Chavez came to the podium and presented his financial presentation entitled "June Financial Performance". Went to the first slide and stated so July, fiscal year to date change in net assets of about \$5.5 million. What we're seeing overall, consistent with the prior months, we've got increased revenues offset by increased purchased power and operating expenses. I think the positive is, I think last month on a fiscal year to date basis our revenues in electric were flat. Well now, with just the uptick in the weather and the heat we're about almost 2% higher than we were this time last year on electric. We've got year over year consumption up by the 1.7%, lighter in the earlier months but ticking up towards July and otherwise. The biggest item of course, that's consistent with our prior months is the price of purchased power. We're at \$67.80/MWh, this time last year we were about, on a fiscal year to date basis of \$51.07. But based on the market and where we're at these are the best pricing that we're obtaining since we used FPL for the majority of our purchased power source. We have really good pricing, very good contracts.

Mr. Bunch stated just to note our peer's year to date, because I was looking at another board presentation last week, are about \$96 a megawatt hour, so just for the purchased power portion of their bill about 50% higher than us. And it's just a function of the cost of generation that they're tied to versus our contract.

Chairman Davenport stated is that because of our sharp electrical purchasing people we have on board and Mr. Chavez? What's the, give me the reason, that's pretty substantial, that's 30%.

Mr. Chavez stated Mr. Beyrle and the team have done a great job historically. So just to give you some perspective when I started here, we had FPL and Duke. We eventually sourced out Duke because FPL's pricing could support our needs and have better pricing on it. It really

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

shows itself as we, when you compare yourself to general market conditions, so just for relation or perspective natural gas is what's driving. I mean you'll see everyone is talking about natural gas and the price of commodities, so right now natural gas for the end of July was \$7.28/MMBtu, this time last year it was at \$3.84. That in essence for us, that is the power source that most, well for us from FPL, that's the majority of their source of power for their plants but in general natural gas sets the market for purchased power.

Mr. Bunch stated our year to date for power is about \$25 million, round numbers, and if we were tied to generation sources that most of our peers are that would be about \$38 million. So what has historically been about a \$10 million gap, this year would be even more. So Mr. Beyrle does a very good job, Tim Beyrle, and he's also looking at some other options with Mr. Chavez, it might save us a little more money going forward next year.

Commissioner Hawes stated just by way of comment, you know this whole business with inflation and we're running, you know pick a number, 8.5%. I heard some commentary this morning talking about England, I guess the British Isles.

Mr. Chavez commented oh, that's bad.

Commissioner Hawes continued, and they're running about 10% in inflation and the prediction is they'll go to roughly 19% to 20% in the first part of 2023. And the reason for that is the power capability, and I'm sure a lot of that is true for Europe as a whole, so...

Mr. Chavez stated yes, Europe as a whole is in a really bad situation just from the fact that they're tied to Russia. The price of natural gas and the price of their, mind you they're different, they're much higher than we are. So they're feeling it and its going to be like that, they've always been higher than the U.S. in general but now with the Ukraine and the macro-economic issues it's going to stay like that for a long time.

Commissioner Hawes stated I know natural gas prices kind of rolled a little bit, I think they were \$9 or whatever it was. Do you have a flavor for why that's come down a little bit?

Mr. Chavez stated well it's come down a little bit but it's still high because right now, July was \$7.28. When we were meeting with FPL and discussing the other day, the forward curves are still \$9.00. So they, you know typically it would start to settle down, what FPL indicated is their folks are seeing that its not coming down, it looks like it is but isn't. So you have a temporary blip but the forward markets it's not looking too good still. And I think it's going to, I mean for what its worth, until macro-economic conditions, social, until that dies down with the European issue, prices are going to stay pretty elevated. Because there's way more demand and we're shipping a lot of, in general natural gas is flowing to where it's a higher price, that's in Europe, so it's going to be like this for some time. But if we were, some of our other peer utilities, we would, this number of purchased power would be much worse than it is today. So, still doing the best with what we have. Water consumption higher, 4.8%, year over year, wastewater 3.4%, and then of course on the reclaimed side 9.1% higher.

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

Mr. Chavez continued, so on the mark to market adjustment, I just want to talk about this for a second. We have right now, it's a non-cash entry in the sense of we're required to mark our investments which are extremely conservative, no risk in that regard, but every month we're required from an accounting standpoint to mark these to the fair market value of what the market bases it on. Our plan is to hold all of our investments to maturity, so we get the coupon rate, we get the interest that we're supposed to, the mark to market is not, we will not incur anything because we hold to maturity. So it's, we did, FMPA and I'll have a number next month, we met with them on Friday. They had an issue with the way they valued the investments and they had it for their portfolio as well. So there will be a correction to this mark to market, it will be a loss but in reality, it's a non-cash item, it's an accounting book entry. We hold all our investments to maturity, we'll collect all the interest for the coupon rates, we're good to go. When we get our coupon interest rates payments from these investments it goes into an SBA account that's earning 2.3%, so it's earning substantially higher than we would have been a year ago. Now that's a direct factor from the Fed and the market raising, as the Fed raises its rates, it raised the boat for everything. Well of course mortgage rates went up, at the same time concurrently your investments go up. Now mind you, you look at your typical bank statement probably not much, banks are slow to always, you never really earn much, but in general on the bond markets and stuff you'll see interest rates, you'll see the earnings on those investments go up as well.

Commissioner Hawes stated yes, I'll just comment on that just a little bit, that issue and I'm not sure how it came about in the utility side or governmental side, but that's been an issue on the bank side and other sides where they want to just mark the market fee, investment portfolio. And it basically is kind of what you're describing, it adds volatility to the balance sheet and precious little else.

Mr. Chavez interjected it does.

Commissioner Hawes continued, the good news about it is I guess because of those mark downs that means we're getting higher rates at some point down the line.

Mr. Chavez stated exactly, that's exactly it.

Commissioner Hawes continued, so it's you know suffer today, get more maybe tomorrow.

Mr. Chavez stated exactly and that's what it is, so we'll have the correction through, but either way it's a non-event for us because of the investments held to maturity.

Commissioner Hawes stated thank you.

Mr. Chavez stated on the capital expenditures we're at \$16.2 million total, \$9.6 million in major projects and \$6.6 million in annual projects. So we still continue to see on the annual side our normal new business connections, electric and water. On the major projects side the reclaimed pond expansion, the electric reliability improvements. Those improvements are key as we are driving towards improving our electric reliability metrics, the frequency of the outages, the durations of these outages, we continually do that. So Ms. Couillard, her team, Mr. Steele, John McMurray, the whole team is really focused on that to ensure that we're

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

continuing to bring those metrics and get them better than what they were from last year and years prior. Some of the other big projects, Glencoe Wells Nos. 2 and 3 upgraded, MCC Roof Replacement, Glencoe Water Treatment Plant improvements, Airport Substation Transformer rebuild; so those are the types of items on a capital basis.

Chairman Davenport stated Mr. Chavez, I don't see 5th Street on here, am I missing something, is it jumping right at me?

Mr. Chavez stated you know sometimes what we do as these projects wind down I take them off and put on new ones.

Chairman Davenport stated where are we on the 5th Street, I get asked that quite often now.

Mr. Bunch interjected so I believe that's pretty early on, the dollars might not have hit the books yet. You're talking about the one down by the Yacht Club?

Chairman Davenport stated yes sir.

Mr. Bunch stated yes, I believe that's really just getting started.

Mr. Chavez stated oh, that's the one where they're replacing the, yes, that one hasn't really, if I'm not mistaken, that's still in the beginning stages. But I can get, I'll have, I'll get with Ms. Couillard and give you an update on where it's at.

Chairman Davenport stated yes, please do, I get that asked often.

Mr. Chavez stated okay, I will definitely; I know it as Yacht Club.

Chairman Davenport stated they want to know; well everybody down there wants to know.

Mr. Chavez stated okay. Then went to the next slide and stated so this is just a graphical of just kind of where we're at on a waterfall basis. So you'll see on the left-hand side July 2021, you know a slight loss at an operating income standpoint and then of course on July 2022, \$3 million in essence of an operating income standpoint. Increased revenues, which is rates and usage, the purchased power is a net number in the sense of we're unfavorable in purchased power, but we have a substantial under-recovery on the revenue side, and then increased operating expenses. The one thing I want to highlight here is on the purchased power side, so even though our contracts are very good contracts, best pricing that we continually try to work on, that we're working on with FPL, the fuel and purchased power adjustment, we will be increasing on October 1st. As of right now we only have \$300,000 of over-recovery, our goal is typically \$5 million, we were at over \$7 million at the beginning of this fiscal year. We've now, between giving, in essence what we gave back as part of the rate study and the substantial increase in purchased power, that reserve now will be zero and actually flip to an under-recovered position. So October 1st will be, of course next month we'll talk with you about the revised purchased power adjustment, but just with the way the balance sheet's looking on the over-recovery we have to increase it. We cannot, we do not want to be in a position where we are under-recovered as it relates to purchased power.

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

Chairman Davenport stated Mr. Chavez, I wanted to ask you if we could go back to the first page, we kind of jumped over a couple \$100,000. Hurricane Dorian, tell me about that, how long ago was that hurricane, how many years?

Mr. Chavez stated so, oh gosh.

Mr. Bunch stated it was August 2019, adding so that's FEMA.

Chairman Davenport stated so we're still getting, we have any more, so we recouped \$200,000 from what we put out. Is there any more outstanding?

Mr. Chavez stated there's a, for example we just submitted, about a couple of months ago, COVID, but you know, my team prepares really good documentation, it just takes time. We, FEMA will ask questions, I mean it's, this is normal.

Chairman Davenport stated I understand, I was just wondering about the \$200,000. Did we get it?

Mr. Chavez stated oh yes, we got it, we got the check, yes, so its in good shape. We really, you know yes, we're in really good shape with these, it just takes forever to get your money.

Chairman Davenport stated thank you.

Mr. Chavez went to the next slide and stated okay, change in net assets. So this view is the same as the prior slide, and we've gone over this, the only difference really is the capital contributions and the mark to market adjustment. On the capital contribution side there's less capital contributions than the year before, but those are really going as they, you know that's why we have below the line and towards the bottom because its just a factor of when these developments and when things are paid and how things are going. What we continue to see in the market down here is housing completions are taking much longer and there's less, the cycle from start to finish is longer and then the number of them is just going down. Which makes, it's just a matter of between the supply chain issues and such, so we're a taker of these capital contributions. Its solely a factor of where the developers are in the new build construction. And the mark to market, as I indicated that will be revised, but it will be a loss when we record it next month, but it will not be any real impact as it is, reiterated we're holding to maturity.

Mr. Chavez then requested Mrs. Simmons to go to the last few slides, commented KPI updates pretty good overall. But to the next, last three slides. So if you look at, I believe this is in your deck as well, this is just a graphical of the developer payments and contributions. Then went to the next slide and stated, the black line there just shows, you know its just longer for completions and such, it just continues to grow. And then if you go to the next slide the number of completions as we see now versus the prior year. Unless there's any other questions, of if there's questions.

Commissioner Hawes stated Mr. Chavez in terms of housing starts, are we seeing it pale off along with the City's?

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

Mr. Chavez stated yes, you're starting to see a slowdown, until some of these, and mind you Ms. Couillard can better address this, but you know we do have some pending large developments in the south of us, south of 44, and then some way north of our service territory. Until those kick off, a lot of these you know you may have some large, I mean I don't think there's very many large parcels left so what we're seeing is a lot of infill. So until some of this stuff south of 44 and others, some of these bigger, massive developments go on, it's going to stay like this for a little while.

Chairman Davenport stated Mr. Chavez, I'd like to bring up the fact that we were paying attention and when we did a refinancing and ya'll went to New York. The fact, I was talking to somebody earlier today about their Sugar Mill situation, about how the improvements are coming down and what all we're doing. But what interest rate were we paying and then what did we get? We were paying what about 3.5%, I said around 3.5%, I was guessing but we brought it down to what, 2.25%

Mr. Chavez stated we brought it down to 2.76%. So I did have Hilltop Securities look at if we did a \$25 million issuance as of today, we'd be about 4%, so we're still in really good shape.

Chairman Davenport stated so we just saved millions of dollars, and so that's just...

Mr. Bunch interjected yes, so that's more than a million in debt service a year for us saved.

Chairman Davenport well, the New Smyrna Beach City Commission should know that we're doing a really good job over here saving money for our citizens, good job.

Mr. Chavez stated we're doing everything we can, purchased power and otherwise, yes.

Commissioner Hawes stated the other piece of that as well, is you know there was a great appetite for municipal securities at the time that came and that's slowed a little bit.

Mr. Chavez stated it did.

Commissioner Hawes continued, so you know interest rate is one thing and availability can sometimes be another, not that we wouldn't.

Mr. Chavez stated yes, and I think what helped us was the credit markets were frozen, we got in right after they thawed out, right after COVID I believe roughly, and then there was so much demand in the market for high-quality municipal. Because it's, you know, we pay, and yes.

Mr. Bunch stated we had offers pretty close to ten times the face value the day we went to market, so there was competition. And I think that day we were thinking maybe we would come in about 3% but because of the appetite, it went to around a quarter corner. So which again, it's easily a million dollars a year saved compared to a 4% face value.

Mr. Chavez stated yes.

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

Chairman Davenport stated well, thank you very much, we all appreciate it.

Mr. Chavez stated thank you.

(4-b) Approval – Commissioner Travel Expenses FMEA 2022 Annual Conference – Commissioner Conrad:

Chairman Davenport stated okay.

Mr. Bunch stated okay, so approval of Commissioner Travel Expenses, Mr. Chavez. Do we need to say anything about that or is it a, do we even need to approve it or is it just an FYI.

Mr. Chavez stated no, I believe and maybe Mrs. Simmons can address this, we just need approval. I mean I reviewed them and I believe Commissioner Conrad's expenses, everything looked appropriate, so I'm good.

Commissioner Hawes stated I'd like to make a motion to approve those expenses; specifically a motion approving Commissioner Conrad's travel expenses in the total amount of \$1,255.00 for the FMEA 2022 Annual Conference.

Commissioner Kelly seconded the motion.

Chairman Davenport stated any discussion about the expenses or how much ya'll spent on after hours (jokingly). Then added okay, I know ya'll didn't, I know the rules here.

Mr. Bunch commented Commissioner Conrad was very frugal, I will say that, I read it.

Chairman Davenport commented I thought I'd catch one up on you Commissioner Smith. We've got a motion on the floor, got a second, Mrs. Simmons if you would call the roll please.

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

(4-c) Presentation – NSBU's FY2023 Strategic Goals:

Mr. Bunch stated okay, the next item on the agenda is strategic goals. I'm going to start with a review of some things we've done in the last couple of years and then I'm going to turn it over to John McMurray who's going to talk about some things we have going on in the foreseeable future.

Mr. Bunch commenced the presentation entitled "FY23 Strategic Plan" and stated so we're talking about recent history. In 2019 there were a lot of new folks, some new Commissioners. I had just started and there was a good deal of turnover and bringing some new staff on as well. So we initially did a 360 assessment of the organization, I identified a lot of improvement needs. Some of those basic blocking and tackling near term, tactical, others required Commission commitment for a longer-term vision and some pretty expensive strategic things that are now well in progress, and we'll hit those as well. So in 2019, May, we did a

(4-c) Presentation – NSBU’s FY2023 Strategic Goals (cont.):

Commission Workshop where we reviewed the Vision, Mission and Values and the folks that were here at the time approved that, and those are the same ones we put in place and are using now to steer the organization. Mr. Chavez and the finance team put in a risk prioritized approach to budgeting, which we’re still using. We enhanced all of our metrics, started reporting on electric reliability, looking at the history, and that hadn’t been done before. We also committed to a new focus on cybersecurity and as you know looking in the rear-view mirror that’s become more important, not just to our community and industry but the nation as a whole. Good news is everything we put in place for electric we mimicked on the water side of the business. Now three years later Congress is coming in and largely saying that’s what they want the water industry to do, so the things that we’ve put in place in the last couple of years largely will serve and meet, if not exceed the things coming out of Washington. We started focusing on external relationship building, the City specifically, and we’ve had several Commission, Joint Commission meetings that you’ve taken part in. We also worked to make our processes more efficient for builders and developers, increased our community presence, and tried to increase focus on volunteerism and also charitable giving in the local community.

Mr. Bunch went to the next slide and stated while we were presenting to the Commission that year, this timeline was laid out and largely we’ve held true to this. Talking about 2020 and beyond being implementation years for us and that is true. Went to the next slide and stated so in 2020 we did a lot of, we did some implementation, and we did a lot of planning for both sides of the water and electric business. COVID interrupted us just like the rest of the world, so we had to rethink our business for a good year and half. We were just talking about the bond issuance, that was done June 6th and we got the 30 year, 2.76 all included cost for the issuance. A grid modernization plan was approved for the electric and water businesses, and the water specific side was a water optimization plan. So those are long-term improvement plans for both sides of our business. And we also developed physical security plans for all of our facilities and what I was talking about earlier, when we did something on the electric side of the business, we did it in water. So here’s an example, our control room for the electric business controls transmission assets that are governed by NERC. When we were touching the water facility, we put the same two-factor identification controls in on the water business as we did electric. Now fast forward two plus years, we know that the water industry is heading there but we only spent the money one time. And we have, by the way we have one team that maintains all of those assets for us, from a security and I.T. standpoint. We developed our prioritized grid modernization plan and that was a 10-year plan for both electric and water business initiatives and system-wide electric reliability improvement plan which we’re now into several years.

Mr. Bunch went to the next slide and stated 2021 was the year where a lot of these things went to implementation, so as the side header says fasten your seatbelt. It was a really, really busy plan and year for the leadership team. Everybody that’s out there in the audience today and others. It was the first year of our three-year feeder improvement plan which is largely neighborhood reliability improvement plans for electric. We implemented a new vegetation management plan. You approved the easement for the Williamson Boulevard, yes, the Williamson Boulevard Extension. We kicked off our smart meter advanced metering initiative planning. We did some telecom studies and also, we revamped our purchased power agreement with FP&L that year that Mr. Chavez was speaking to earlier. We settled a long,

(4-c) Presentation – NSBU’s FY2023 Strategic Goals (cont.):

I’m thinking 10-year battle, with AT&T on the legal front. We avoided lawsuits and they settled for the full value of what we felt they owed us up to the point of statute of limitations. So Mr. Cloud and firm had a big victory for us there.

Chairman Davenport stated may I interrupt you right there please sir.

Mr. Bunch stated yes sir.

Chairman Davenport stated when I came on this Commission, I asked the previous attorney do we have any outstanding lawsuits or are we owed anything and I was explicitly told no, everything’s up to date. And that today, I want to tell you thank you Mr. Cloud, thank you Mr. Bunch because we got \$100’s of thousands of dollars here and I was basically just told not the truth and it’s really been a feather up my...

Mr. Bunch stated appreciate that, adding so Mr. Chavez and Tom Cloud negotiated that. The only downside was because of the five-year statute of limitations we did probably write off another couple \$300,000, because of the lapse in time, but they paid back every penny due past 2013 I believe. I don’t remember the exact year, but Gray Robinson basically said here’s your lawsuit, if we don’t start negotiations we will sue you and they came to the table. So thanks Mr. Cloud.

Other Commissioners additionally thanked Mr. Cloud.

Mr. Bunch continued, what else, physical security improvements, spoke to that. We started planning for the pellet softening transition for our water treatment process at Glencoe, so we will eventually move from lime softening to pellet softening and Mr. McMurray is going to talk about that in a little bit. We validated that technology through a pilot. Completed the rate study and put revised rates in place last year on October 1 and Mr. Chavez spoke to the financial success of that in the numbers that he covered today. And then lastly the Commission approved a business governance model that we will hand off to our successors. So in terms of annual business planning, three year, looking at the rates every three years, compensation studies every three years and some things that we do annually, some things that we do periodically like that, you codified in a resolution, I think it was 2021-01 (sic 2021-03).

Mr. Bunch went to the next slide and stated okay, 2022, let’s say its all coming together nicely. We did a refresh of the branding, updated the website, and Danielle Wood is going to come up after this presentation and talk a whole lot about some good things here. I’m not going to go into detail because we don’t want to step on that. But we also did the planning and issuance of the requests for bids for our smart metering program. And we’re also planning on the implementation of a work and asset management system for the end of this year. So very busy three plus year period, a lot of tactical, basic and blocking improvements, and putting strategy in place for now and the foreseeable future. And so somebody who started with us this last July that’s wrapped his arms around the program side of this full-time is John McMurray and I’m going to ask Mr. McMurray to come up and talk if he would through the actual goals themselves and things we have planned in the five-year timeline.

Commissioner Smith stated Mr. Bunch before he gets started may I ask a question?

(4-c) Presentation – NSBU’s FY2023 Strategic Goals (cont.):

Mr. Bunch stated yes sir, go ahead.

Commissioner Smith stated I try to read almost all the publications I get at every meeting, I won’t elaborate on where, but I will say that the last article I read that caught my interest was about artificial intelligence. And I wonder how much of what you’re doing is related to artificial intelligence on these programs.

Mr. Bunch stated Mr. McMurray do you want to take that question?

Mr. McMurray stated well, we’re adding analytics, we’re adding computer technology, we’re adding grid intelligence. And so for instance Mr. Steele’s team and Ms. Couillard’s team are adding TripSaver devices that has intelligence inherent in it. Reclosers, we’re self-healing the network, so we have some intelligence that we added to the network. We’re going to continue to add intelligence to the network but also to our systems. Any computer system that we’re adding has artificial intelligence, has decisions that are made by the computer system, the programming that’s been built into it. So if you’re talking about robots and something like that, it’s not on our roadmap right now.

Commissioner Smith stated no, I understand that. I guess I watched enough Twilight Zone when I was a kid to be a little bit concerned about it. Do you have any fears about implementing artificial intelligence for our operations, are there any concerns? Because I don’t want the robots taking over the power system anytime soon.

Mr. McMurray stated you know when that time comes, we’ll be able to look at the pros and cons and look at the best practices and such, but we’re not quite there yet. I know they are in the automotive industry they’re producing cars. They have been producing cars with robots, they’re stamping and doing a lot of human tasks that were done you know a decade ago, so it’s happening. I know my car that I have was built by a lot of computers, computers and robots, just you know going through and punching it, you know.

Mr. Bunch stated as a follow up to that Mr. McMurray, do you think, you and I have talked about data analytics, is that, what do you see coming down that pike that might be considered artificial intelligence?

Mr. McMurray stated I mean on a simple scale, if you’re looking at the systems that we’re implementing, like I said they have intelligence built into them. Other futuristic systems will have predictive engines inside of them, as does our outage management system. It predicts where a device is out, it takes information from sources and compiles it and puts it into and says, puts it on a map and says this is where the device is out. So that’s, you know, just low level, we’re kind of gradually ramping up and with predictive devices in the field, you know the sky’s the limit. There’s going to be some things that are going to be happening, are we going to be out in front of everybody? I think we’re going to be watching because of capital investment and you know exploratory efforts that need to be done. We’ll be watching, and when somebody proves something we’ll follow behind. But in terms of other systems, Mr. Bunch you were asking about?

(4-c) Presentation – NSBU’s FY2023 Strategic Goals (cont.):

Mr. Bunch stated so for instance when you have your however, hundred million plus meter readings.

Mr. McMurray interjected oh, data analytics, okay.

Mr. Bunch continued, do you do AI based on the data that comes out of that, what kind of things might that enable?

Mr. McMurray stated so data intelligence, when you’re looking at 30,000 electric meters and 25,000 water meters being read once a month, 55,000 meter reads. As we said we’re going to be in the tens of millions, I think it was 60 something million reads per month. It’s all that data if you can stream it into certain channels and predict, is that you can then understand the utilization of equipment on the line, whether it’s a pipe that’s reaching capacity, it’s a transformer that’s overloaded, it’s a recloser that’s overloaded, or it’s a line that’s exceeding its capacity. Is that we can see those things and predict them with data analytics, and there’s a lot more business intelligence, data analytics, BIDA, things that can be done with that data because its so robust and so available once the tools are in place. We’re talking about a year, year and a half out from now when we start receiving that information.

Chairman Davenport stated Mr. McMurray, I have a question. What about our water, water resources we’re going to talk about probably later on.

Mr. McMurray interjected a little bit, yes.

Chairman Davenport continued, but if somebody were to poison, do we have really good protection for, I’m sure we do, but extra, extra protection if somebody wanted to go put something in our water supply; that scares me.

Mr. Bunch stated yes, I guess I’d rather not talk a whole lot in detail about the specific threats.

Chairman Davenport stated all right, we’ll talk about that later.

Mr. Bunch added but that is a scary topic. In electric, water, gas, all of the utility’s have infrastructure that’s dispersed and eyes aren’t on all of it all the time. I’ll just stop there, the thoughts could linger a bit or roam, but you know we are businesses that are at risk.

Chairman Davenport stated I’ll talk to you personally about that; yes, thank you. Go ahead Mr. McMurray.

Mr. McMurray stated okay, so I’m going to go ahead and start, our Vision, our Mission and our Values are the driving guidelines and principles in who we are and how we operate. So our Vision, Mission, Values basically they help us operate safely, they guide us through providing essential services, utility services for our customers. And also being a good steward and looking at sustainable resources. We want our employees to work safely, we’re constantly pushing on safety and looking at safety enhancements, but we also want to make sure that the service we provide is reliable and resilient. So that’s what’s going to be, we’re going to be talking a little bit about how all that interacts.

(4-c) Presentation – NSBU’s FY2023 Strategic Goals (cont.):

Mr. McMurray went to the next slide and stated so we’re faced with many challenges and what are the challenges ahead. So, you know, if you go back about a year or two and say what’s there, of course safety, weather storms, those are all things that are going to be happening. The pandemic just a few years ago, you probably wouldn’t have known much about that, but also the high cost of fuel, the market conditions, things change. A lot of things have happened, have changed the way we look and assess our strategic goals and our plans. And so with that being said we want to make sure we’re looking out into the future and saying how do we achieve our goals with a changing environment. So it’s constantly a re-evaluation process, so that we make sure we’re ready for the future.

Mr. McMurray went to the next slide and stated so this is the Modernization Plan. I know you’ve seen this a few times, this comes from one of our consultants and this is the long-range plan, I mean this is everything that’s built in, this looks out ten years and beyond. And so what we’re taking, we’re taking this and we’re digesting it and we’re putting it into a place where it’s a five-year plan and also an annual plan. So this is at the heart of our strategic goals right here and the foundation of this is the base, these are the basic programs down in red. So we’re looking at this to make sure we improve our resiliency, our reliability, our operational efficiency, and make sure that customer service and safety, those are all wrapped into this.

Commissioner Hawes stated Mr. McMurray just to stop you for just a moment, when I was kind of flipping through and looking at the presentation earlier, I found this chart to be really exceptional and I think it just really lays it out well.

Mr. McMurray stated I agree, I didn’t do it, but I agree though.

Commissioner Hawes continued, I think, and I don’t know if this is helpful but for consistency sake kind of sort of keep using this, you know what I mean, as a...

Mr. McMurray stated no, it’s important, this is the beginning of everything right here.

Commissioner Hawes stated yes, this just really told the scale.

Mr. McMurray stated this is created by the consultant who has been doing this for a number of years and has a talented work force. And when I walked in, I mentioned to Mr. Bunch this is a great plan; so I’m excited to implement.

Mr. McMurray went to next slide, reiterating I agree with you, and this is taking that big picture viewpoint, the long-term plan and turning it into a five-year plan. Putting a timeline on it and saying what’s important to us. We sat down with the Directors and our CEO, Mr. Bunch, and looked at this. We do this each year, perform a SWAT analysis, what is it that..., what are the strengths, weaknesses, opportunities, threats, and how do we move our plan ahead. And also the timeframe, what adjustments do we need to make, and which ones fall out, which ones require additional planning time. So this is our current five-year plan of projects, technology. Now this is just part of the equation, this isn’t everything, you also have the financial side of things, you have customer service side of things, you have H.R. with recruiting and talent, and all the other things. But this kind of gives you the technology to support the future as we’re going forward in the projects. We’ve got a pretty busy schedule here.

(4-c) Presentation – NSBU’s FY2023 Strategic Goals (cont.):

Mr. McMurray went to the next slide and stated so we’re in the midst of a digital transformation for our employees, but also for our customers through the implementation of our outage management system which Mrs. Wood’s going to be talking about and SilverBlaze, also Mrs. Wood. But we also have upcoming projects for advance metering infrastructure and smart grid, and if you look at the roadmap and you break out these projects, you’re seeing the customer experience is going to be very important. Its something we’ve been passing papers around, taking telephone calls, but now we’re starting to take those telephone calls and automatically produce a product for us. So we’re using computer intelligence to help us move the needle. We’re also adding, we added approximately 200 plus or minus a little bit, Mr. Steele and Ms. Couillard’s team worked on 200 grid intelligent devices over the past two years. So that’s a big plus for us, in fact I haven’t seen an electric utility move so fast as we’ve been moving here with Mr. Steele and Ms. Couillard getting these devices installed and I’ve been applauding them. This is self-grid, self-monitoring, self-healing; it is the latest technology we’re putting out on the lines there.

Chairman Davenport stated have we let those contracts yet, do we know who’s going to implement this, put them in?

Mr. McMurray stated we’ve already been installing them for the past two years, the TripSavers and the reclosers.

Chairman Davenport stated where am I on the last, where am I on the...

Mr. McMurray interjected are you maybe talking about AMI, advanced metering infrastructure.

Chairman Davenport stated yes, I didn’t miss two years. I was like wait a minute.

Mr. McMurray stated so advanced metering infrastructure, we have an RFP that’s going out.

Chairman Davenport stated that’s what I’m talking about.

Mr. McMurray stated its out right now for questions, the request for proposal, and then September 15th all the bids are due.

Chairman Davenport stated okay, thank you.

Mr. McMurray stated so we had a little bit of a delay, we had a couple of things that some of the bidders had to go back with, re-put it back out and delayed it a few weeks. So September 15th we should be getting those bids in and then we’ll be making a recommendation after we evaluate. It will take us a little bit of time to evaluate, we’ll have a team that will be working on that.

Chairman Davenport stated thank you.

Mr. McMurray stated you’re welcome, and went to the next slide, so these are the strategic goals and the top one is the fiber loop. So we have a partial fiber loop that’s being built

(4-c) Presentation – NSBU’s FY2023 Strategic Goals (cont.):

right now, over on the east side. And we’re going to be off in the future here, planning for the finishing of that fiber loop. In 2023 we’ll plan for it and then we’ll roll out, that will go out to an RFP. And then also we’re developing, implementing, this is ongoing, staffing, recruiting plans, and this is Ms. Carrizales and her team, and Mr. Chavez I’m sure. Also we’re assessing utility scale solar phase II (sic III) which is 10 MW’s with the ability, I think it goes up to 20 MW’s. So we’re embracing where it makes sense financially, you know feasible where solar power can help us provide a lower cost solution. And then we have work force contingency planning, COVID, its always something we have to make sure we’re accounting for. And then we’re adding a safety management system and also performance NERC compliance assessment, and a few other things here to stay current.

Mr. McMurray continued, so these are just some of the goals and then if you flip to the next page, we’ve also listed the major projects for fiscal year 2023. So we covered the goals, some of the goals, some of the larger goals and then we’re just going to touch on some of the larger projects. On the electric side the first one here is the 115kV breaker replacements. This is the highest voltage that we have on our system. These are very important devices because they impact a large number of customers, so we want to make sure that we’re replacing these at the intervals that they need to be replaced, and those are at the substations. And then direct buried underground, underground residential distribution cables, so we have aging cable, just like the rest of our infrastructure. We’re replacing it on intervals and making sure that we’re installing and operating the best system that we can. Transmission, we’re rebuilding Smyrna line and replacing Field St. poles. We have some older poles and we’re coming in with concrete poles and removing static wire on the transmission system, but also the distribution system. We’ve made some progress on the distribution system as well as the transmission system there. And then we’re also, I’m just going to go down to the bottom, towards the bottom of the list, we have the Western Complex that we’ll be planning for and then we have various Cityscape projects going on. So the overall goal here on the major projects for electric is making sure that we improve reliability, its resilience, and when the power goes out it comes back on quickly. And we’re adding capacity or growth and also getting ready for the I-95 Interchange.

Chairman Davenport stated Mr. McMurray, let me ask you please, where are we on the, I’m curious, on these feeders going out to 95, has got my attention. Where are we on those as far as timeframe?

Mr. Bunch stated so are we talking about the Interchange?

Chairman Davenport stated yes, where we’re going underneath and going to have our grid.

Mr. Bunch stated so as the DOT plans that...

Chairman Davenport continued, where we flip the switch when the utilities go off, automatically comes on like a back-up generator.

Mr. Bunch stated okay, so a couple of things there, as the DOT moves forward with the Interchange, we’re linked to the hip with them. We have a consultant doing the planning that’s specific to that Interchange in the area. The electric reliability plan, we’ve done two years of

(4-c) Presentation – NSBU’s FY2023 Strategic Goals (cont.):

improvements and Mr. McMurray’s going to talk about the next phase and that’s where we finish out the rest of the feeders for things like automation related to reclosers or TripSavers. So instead of a whole feeder going out with a couple of 1,000 customers, it’s a couple 100, and then we have the ability to make ties to adjacent feeders. You actually saw the benefits of some of that over the weekend, we had a really bad storm Friday night. So a lot of that’s in play and the rest will be finished up in the next two years. So our reliability improvement goals as I recall are, the ones we put in place in 2021 were to reach our targets by the end of 2024, so over the next two years.

Chairman Davenport interjected two years, that’s what I wanted to hear.

Mr. McMurray stated that’s right, 2024.

Chairman Davenport stated that’s what I was looking for, the time frame.

Mr. Bunch stated and then one other thing Mr. McMurray spoke to very quickly is our Transmission Loop Project. That is the grid level resiliency, so that will in a big way improve the coastal and central downtown area reliability with a second transmission supply, as that gets built. So I think Ms. Couillard, who’s not here today because she’s out sick, will be in front of you next month to lay out the high-level recommendations for that project.

Chairman Davenport stated okay.

Mr. Bunch then stated Mr. McMurray did I miss anything?

Mr. McMurray stated no, I think we covered the big items here. There’s a bunch of mid-size and smaller ones, but those are the big ones.

Chairman Davenport stated the big picture.

Mr. McMurray stated yes, that’s the big picture. Then went to the next slide and stated the water, okay, so we’re on the water we’re talking about. So these are the major projects for water and also wastewater. The top one is turning the gas, chlorine gas to chlorine liquid which is the sodium hypochlorite project and that’s at the Glencoe Water Treatment Plant. And that’s for the safety of the employees but also to lower our costs. Next item is Wayne Avenue, as well as Wayne Avenue Industrial, and the next three are all water main improvements, and that’s part of our ongoing process for water improvements and upgrading and replacing lines, main lines. Under the wastewater projects, we have the gravity sewer rehab and the lift stations, reconstructing, and we also have generator plans. We’re going to be developing generator plans coming up in this fiscal year, FY2023, we don’t have them developed right now; it’s going to be in the works.

Mr. Bunch stated just to add to what Mr. McMurray is covering here, this slide is deceptively simple. There’s a lot of meat and a lot of big projects in here, these are really the beginnings of the Water Optimization Plan implementation, so this is, these are the long-term Water Treatment Plant, Sewage Treatment Plant and continuing the full use of our Reclaimed Water out of the Sewage Treatment Plant. So I think in 2018 Mr. Cloud recommended doing a water

(4-c) Presentation – NSBU’s FY2023 Strategic Goals (cont.):

optimization study as part of or a continuation of our rate study and that, all of these things evolved out of that. So I wanted to thank Mr. Cloud and he made suggestions of several consultants, one of which ended up helping us out but not as the primary. So there have been a lot of concerns, in fact we did a presentation to the City and U.C. Joint Meeting back in February about our long-term water supplies. This organization has really good long-term plans for sustainable potable water and it’s been 13 years since we’ve expelled any treated effluent from our Sewage Treatment Plant into the Indian River. So other utilities can’t say that and because of that they have issues getting rid of treated reclaimed water. They’re having discussions about “toilet to tap”, what do we do with this stuff. Because we’ve managed it effectively and we’ve expanded our storage capacity with the expanded pond that’s just being completed, we don’t have those issues to contend with. And the last thing I’ll say on that is Florida as a whole is in much better shape than the rest of the country because we don’t utilize largely, at least in this area, surface water for supply, we’re using wells that are fed from the Floridan Aquifer which is the nation’s second largest aquifer. So we’ve got some things by luck of where we are geographically and then some other things because the organization’s got a good long-term plan for water supply. So and in the community, you know we’ve had the questions are we running out of water, definitively the answer is not. The sustainability of our water supply is assured for many, many years to come.

Chairman Davenport stated and before we even had to start thinking about it and by then we’d have reverse osmosis probably. Its fifty years before we even think about it, fifty or sixty years, didn’t I hear those numbers when we were..?

Mr. Bunch stated yes, its years out.

Chairman Davenport reiterated years out.

Mr. Bunch stated we don’t think, we think our current water treatment plant at Glencoe with the expanded capacity and these investments will extend useful life, we won’t need to transition to reverse osmosis I think for fifteen plus years. And that is still using well water that is not treated sewage.

Chairman Davenport stated right.

Mr. Bunch reiterated this is water coming out of wells in the ground, so other areas of Florida because of capacity constraints have already been doing that for twenty or thirty years. So we’re in a much, much better state and I would say some would use words like enviable compared to other parts of the state and even the nation. You’ve heard maybe recently California, who largely relies on water coming down from the mountains, reservoirs, dams, they’re in a pinch with their potable water. And fortunately this region of the country and this area of the state, we’re in pretty good shape.

Mr. McMurray stated and worse than California, states south and east of California relying on the Colorado River, you know, some challenges out there for sure. Yes, we’re fortunate, we have an aquifer, its sitting right underneath us and its relatively pure water compared to other states. We’ve got limestone as the filtration and then our parts per million in this general area is lower than other parts of the state. We’re in a pretty good position and then also Florida

(4-c) Presentation – NSBU’s FY2023 Strategic Goals (cont.):

with our climate, with the rain that surrounds us with water bodies. It’s, nothing’s perfect but we’re in a pretty good position.

Mr. McMurray then stated I wanted to continue down the list for the water and wastewater and I think I was done to, we have a roof, a building roof replacement going on MCC and also chlorine buildings. And then the Water Reclamation Facility improvements, the headworks, like Mr. Bunch said these are big projects. The Screw Press itself is going to be removing moisture out of the waste that we’re going to be disposing of, when it takes out the moisture there’s less weight to transport. It’s going to lower our costs, it’s a more efficient process, and it thickens the sludge. And then the last item I have here is just a regional lift station out on Airport Road, it’s going to be near 44 and Airport Road, and that is being planned, close to V-Bay.

Mr. McMurray went to the next slide and stated so in summary, we’re preparing for the future and we feel like we have a pretty good plan looking out, pretty far way out. But we’re also looking, focused on the interim and also the immediate right here, FY2023. So we’re utilizing a prioritized roadmap of projects that are risk-based and also making sure that we’re leveraging best practices and best tools and so we can give those best tools to our employees. And provide a better product, improve customer service and use sustainable resources to drive the future. And I think that’s about it, these are just the projects here, the major ones at the very bottom here. The advanced metering infrastructure, which is huge, it’s going to be the largest project we’re ever going to implement here up until this period as a utility. And that’s also, we’re going to tie smart grids, smart devices on with that too. And the second one is a work and asset management system. We have the RFP, we’re reviewing the RFP from the consultant and that will probably be hitting the street within, I don’t know, six weeks, two months. So that’s a new project coming up and that’s going to help us with our process improvement internally and tracking work and understanding where things are and help us become more efficient there. And then we’re also, like I said earlier, building out the fiber ring, we have SCADA upgrades which is the supervisory control and automation for our control centers, which is the system operations and also water control and wastewater. And then we’re, as I mentioned, we’re improving grid reliability resilience. This is the third year of the electric reliability improvement plan – ERIP, and we’re making really good progress there. And the last item here is we’re focusing on sustainability capacity for customer growth and any new development that’s coming. Is that we’re preparing not just for what’s existing but getting ready for New Smyrna Substation, new feeders coming out of there, growth around V-Bay, I-95 corridor, east and west side, and making sure the system’s capable of handling all that. Didn’t really talk about it but we’re also looking at beneficial electrification which means electric vehicles, electric vehicle charging, and infrastructure to support that at our Western Complex. There are a number of things we’re looking at, it’s a very exciting time at New Smyrna Beach Utilities. So thank you for your time, any last questions?

Chairman Davenport stated Mr. Bunch?

Mr. Bunch stated yes sir.

Chairman Davenport stated do we have, this is just, I’m just sitting here listening to this and thinking about over the years that I’ve been here and thinking about the former Chairmans –

(4-c) Presentation – NSBU’s FY2023 Strategic Goals (cont.):

Lee Griffith, Mr. Biedenbach and Jack Holcomb, and the leadership we’ve had. And everything that’s been put in place is just, I’ve been fortunate enough to see it through to fruition and where its going, from hiring a new CFO, hiring a new CEO, CFO and our attorneys and doing such a great job. And people like you Mr. McMurray, its just really good to know, that was the biggest concern when we talked, continuity, plans, five-year plans, growth, where we are, transparency. All of these things that I was concerned about getting appointed to this Commission have been answered. And I can’t thank everybody enough, staff and Mr. Chavez, and everyone, but it really is clear. My question, have we planned to let the, do we have any planned Joint Commission Utility (meeting), with New Smyrna and us, to let them know this? This would be really valuable to pull us together one more time before the end of the year to share this with them.

Mr. Bunch stated well, we did present some of this in February.

Chairman Davenport stated right.

Mr. Bunch stated and I forget who I was talking with earlier last week but because, if we have an election coming up in November, I thought we would give the incoming, I know we’re going to have a change in Mayor.

Chairman Davenport stated right, okay.

Mr. Bunch continued, and probably some other Commissioners (City), we thought we would give them a couple of months to get their feet under them and then do another joint meeting, maybe early next year.

Chairman Davenport stated I highly recommend this though, as soon as we could, to share with the new leadership.

Mr. Bunch stated sure, and we’ll talk with you about the timing of that.

Chairman Davenport stated sounds great, thank you.

Mr. Bunch then stated and thank you Mr. McMurray. Mr. McMurray joined us last July, he really accelerated a lot of these things because up until that point in time everybody out there, the existing staff was trying to move this stuff forward and try as they hard, as much as they did, they had other full-time jobs and we were just losing headway on some of the things. And that’s accelerated a whole lot so thank you Mr. McMurray, appreciate it.

Chairman Davenport stated great job.

(4-d) Informational Presentation – Customer Experience Transformation:

Mr. Bunch then stated I want to ask Mrs. Danielle Wood to come to the podium. She’s going to talk about customer experience next, but everything we’ve talked about in terms of the investments and systems and technology it’s not for the sake of doing the work, it’s the customers. And we’ve asked Mrs. Wood to come up and talk about it from the customers’ side.

(4-d) Informational Presentation – Customer Experience Transformation (cont.):

If you don't know her, Mrs. Wood could you introduce yourself.

Chairman Davenport stated thank you.

Mrs. Wood stated sure, my name is Danielle Wood, I'm the Senior Manager for Customer Service and Communications, recently promoted into the position. So we're excited to present to you today some of the things we've been working really hard on for the improvement and the enhancement of the overall customer experience for our NSBU customers. Then proceeded with her presentation entitled "Customer Experience Transformation". As we continue our strategic effort to modernize our utility and improve reliability, we're prioritizing the customer service or customer experience at every level. We've recently developed a customer life cycle to help us identify areas in which NSBU can improve the interaction with our customers. Through this identification process it's going to allow us to identify areas where we can help ease customers doing business with us and identify maybe some possible pain points where we can streamline some processes for staffing and customers alike. So in July we began launching some of our customer-facing initiatives.

Mrs. Wood went to the next slide and stated on July 1st, we revealed our new name, logo, and our updated website to our customers. Displayed the home page on the screen and stated the NSBU website has a simple and professional design, while offering our customers and community quality content on a customer-focused platform. By the way this also looks absolutely wonderful on a cell phone, if you had a chance to look it up yet, it's very clear and all the options line up perfectly. On July 15th we went live with our outage management system internally. We did that on purpose to allow our system operations staff, our customer service staff and some of our field workers an opportunity to work some live outages and get used to the system prior to releasing the map publicly. So on July 28th we released the web outage viewer. Then went back to the website and requested clicking on the outage link. This, for those of you who haven't had an opportunity to look at it, is our web outage viewer. Lucky for us we do not currently have any outages, if we did you would see them here. Since we do not have any, I'm going to walk you guys through a recent outage to show you the functionality of the system.

Mrs. Wood continued, so on Wednesday, August 10th, we had an outage in the morning. We had a vehicle that struck a pole at the corner of Taylor and Old Mission, took out the power. Around 9:55 a.m. our staff was notified through our SCADA system, and then around 9:56 a.m. our new OMS system began taking calls from customers. At the peak of the outage we had about 5,200 customers without power, and 94% of our reporting customers used our automated reporting line. Which to us we were very excited about, it means it's been promoted nicely and they're going through, when they go through the automated line it helps us expedite the outages much quicker for them. So by 10:27 a.m. we did an isolate and restore procedure, and when that was completed, we only had about five customers left without power. And then crews continued to work, they had to set a new pole and by 4:21 p.m. in the afternoon all of our customers were restored.

Mrs. Wood went to the next slide and stated so this is a screenshot of basically the middle of the outage, we went out and grabbed this just to be able to show you some of the features of the map. On the right side where you can see the 900 customers out, if you were viewing this

(4-d) Informational Presentation – Customer Experience Transformation (cont.):

on our website you would be able to scroll into that, to zoom into that and actually see more specific location information. Once you do click on an outage it will bring up the blue box on the left-hand side of the screen. And if you notice down on the bottom of the outage notification there you will see that it does show 4.4 thousand customers were restored at that point in time and that cause was a vehicle.

Mrs. Wood went to the next slide and stated our outage management system has greatly improved our customers' experience during outages. And we now have a 24/7 reporting line that is on all the time, it is automated. When customers call in it recognizes the telephone numbers that are associated with their utility accounts. And it can also handle about 18,000 calls per hour. Previously, to that note, previously when we had an outage during business hours, our CSR's, to give you an idea, we have 5 CSR's on the floor. They were handling those calls manually, trying to field them and then trying to either send emails or make a secondary phone call over to our dispatcher. So just to give you a mindset of all the extra time on the hand offs that this automated line is saving us, its huge. Our OMS software also has prediction which allows an algorithm that automatically predicts outages based on the customers calls and their location, rather than our operators having to manually analyze all of those incoming calls. This also saves time and allows us to have a faster outage response.

Chairman Davenport interjected this is awesome, it really is.

Mrs. Wood stated we're very excited for it.

Chairman Davenport stated so are the residents of New Smyrna.

Mrs. Wood stated that's wonderful to hear.

Chairman Davenport added, I guarantee you, and I am too, we are.

Mrs. Wood stated great, and continued, the OMS system also has a call back feature which we've heard a lot of positive feedback on the customer service side, customers like that option. It will call you back once your power is restored and confirm that your house is actually back up. It gives you options to select if your power is still off or maybe you're just not home and it will also allow you to answer that way. The web outage viewer that is on our website, keeps our customers fully informed, and like we were showing a minute ago, it does have a ton of information on it. It will give you the outage status, whether its being assessed or if crews have been assigned. It gives the estimated time of restoration, also the cause of the outage once its confirmed. And then the number of customers currently without power, the affected areas, and then the number of customers that have been restored within that same outage.

Commissioner Smith stated this is a dumb question, but wouldn't you have to have power in order to view this information?

Mrs. Wood stated not if you're using your smart phone, and it looks wonderful on your phone.

Commissioner Smith commented the smart phone is all we have.

(4-d) Informational Presentation – Customer Experience Transformation (cont.):

Commissioner Conrad stated well, also an iPad.

Mrs. Wood stated yes.

Chairman Davenport then commented, now see you get smarter every day.

Mrs. Wood went to the next slide and stated so going forward we are working on multiple different customer experience improvements. One of which is our new single sign-on customer portal. We're very excited for this as well, this allows customers to do a start, stop or transfer of service all using smart forms which will feed directly into our CSR's. In the past these forms get filled out on the website, or on paper, and then they're emailed in. So this is going to really expedite a lot of different processes for our staff and for our customers. On this same portal customers are going to be able to view and report power outages, view and pay their bills. They'll have tons of consumption information so they can analyze their own electric and water usage. There's a weather overlay on the usage part where they can actually see that, you know, there's a really hot time of year here. While they're comparing years they'll be able to see maybe why they used a little bit more in electric consumption in that particular month. The portal like I said is going to streamline a lot of processes. I do expect it to also help customers navigate their accounts and understand their consumption a bit more than having to place a call into a C.S.R.

Mrs. Wood continued, next we have our Nexus VX videos, once our portal's in place we'll be rolling these out. These are our customizable videos that will play within the customer's portal. They're tailored to the customer specifically if we were to desire to or we can use them to promote e-billing, auto-pay, and maybe an introduction to the new customer portal and any other program we wish to promote to help the customer experience overall. Once we're done with that, we have an NSBU app. that we'll be rolling out. The app. I know has a lot of people very excited for staff purposes, it will allow customers to easily access their account, report outages, pay bills, all from the comfort of their smart phone.

Chairman Davenport stated wow, we're making it, 21st century.

Mrs. Wood stated yes, we're getting there. We can also use the app. for push notifications so we can tell you when your power's out before, you know, maybe you're not home, we can let you know when its out. We will also be able to tell you when your bill is out, which we do have some of that technology now but high usage, maybe this bill is a little bit higher than normal, we'll alert you and let you know through a push notification. And we also have access to those push notifications to utilize them in any manner we wish so that we can help communicate with our customers. We feel it will be a very strong communication tool. After that, we have texting capabilities that will be coming to our OMS software so you will be able to report a power outage via text and we can also send you notifications via text message that your power has been out, and give you updates as well.

Mrs. Wood stated so in close, we're very excited, it's an exciting time for NSBU and our customers, and as we implement these new technologies and improved reliability, we remain focused on our customers and enhancing their overall experience with us. Does anyone have any questions for me?

(4-d) Informational Presentation – Customer Experience Transformation (cont.):

Commissioner Smith stated just one.

Chairman Davenport stated yes sir.

Commissioner Smith added I'll keep it simple. I won't make comments about smart phones.

Chairman Davenport stated no sir, you go ahead.

Commissioner Smith stated I get inundated by companies trying to sell me solar power systems for the home. Does it make any sense that citizens could come here to get advice on those systems? So that, because it's very difficult to sort what is appropriate and what's practical, what's feasible and if they had a place that they could come to and talk about it, would that make any sense?

Mrs. Wood stated we do get customers that call in and inquire about solar. We, of course, aren't going to advise and give them a definitive answer of whether or not they want to make that, I mean that choice for their own home since it is such an investment. But we are always available and happy to answer any questions that they have that are related to the utility aspect of it. And if it's not something that our customer service folks can handle, we typically will forward it up to an electrical engineer if they want some more specifics about a system.

Commissioner Hawes stated Mrs. Wood what I kind of take away from this as much as anything, and I know we've kind of talked about this SilverBlaze and some of these things out over a period of time, and I was with an organization once and their whole mantra was the voice of the customer. And I think a lot of times that gets lost in large corporate enterprise or whatever.

Mrs. Wood stated yes.

Commissioner Hawes continued, but I think its really good what you've done and its very clear that the voice of the customer is in this. People have to adjust and learn new ways to do things and that kind of thing, but I think as people start to adjust its going to be a great thing.

Mrs. Wood stated I agree, and customers are the reason we're all here, so its really important to keep them as a primary focus as we go through. And we're implementing all these new technologies, you know, and we're doing it for them, so we want to make sure they're reaping the rewards as we go along.

Commissioner Kelly stated Mrs. Wood, I do agree with Commissioner Hawes, I think its great. It's amazing to me because like in retail sales and retail service industry and all that type of stuff it's already, all that stuff's already available, it's like we're just coming. I haven't been on the board that long but its, Mr. Bunch and all his team, it amazes me that its there and it makes customers so much happier that they can interact with even an AI. Commissioner Smith asked about an AI, I mean the communication with AI you can really do everything. I've even got used to Delta never answering their phone and they'll call me back in 22 minutes and they do, and everything's fine and its all done in 22 minutes. So I think society as a whole

(4-d) Informational Presentation – Customer Experience Transformation (cont.):

is getting very much used to this, just tell me what the deal is. And there was actually one Facebook page on that outage where people were defending us.

Mrs. Wood responded yes.

Commissioner Kelly continued, you know at New Smyrna Utilities, no, they did a really good job, I've already got my power back and blah, blah. It's funny to watch them argue with each other.

Chairman Davenport commented we all know we'll never please everyone.

Commissioner Kelly stated no, that's not possible.

Mrs. Wood interjected but we will try.

Commissioner Kelly stated great work and great teamwork, I think it's fabulous.

Chairman Davenport stated Mrs. Wood, I'm going to make an observation, I love your presentation because when you talk, you smile; very good.

Mrs. Wood thanked Chairman Davenport.

Chairman Davenport then stated anybody else, questions?

Commissioner Conrad stated I personally would like to thank you because so many things that I've gone over for the last twelve months and vocalized many times, okay, have come to fruition. And I really, really appreciate it, thank you all.

Mrs. Wood stated you're very welcome, thank you guys.

Chairman Davenport stated you have asked a bunch of questions about paying the bills haven't you, as a CPA why not – thank you. Okay, moving right along, thank you Mr. Bunch, what a great report. Do we have anything else?

Mr. Bunch stated no, I just want to add that the whole organization is answerable to Mrs. Wood for customer service. So as we go forward and we make improvements, if an area of our team's not holding up, they've got to explain to her and we're trying to formalize that role for her as well.

Commissioner Kelly stated so can we text you in the middle of the night like we do Mr. Bunch?

Mrs. Wood commented sure.

Commissioner Kelly stated and sending pictures of people with lanterns and an ax.

Chairman Davenport stated you do that too?

(4-d) Informational Presentation – Customer Experience Transformation (cont.):

Mr. Chavez indicated I get them from the Chairman.

Chairman Davenport continued, oh well, you know, anyway, I'm turning red up here, I can feel it. Then added, what a great, great group we work with though, great job Ms. Wood and congratulations on that promotion, I think that's needed. I got a phone call the other day and they just complimented, compliments from some people who just moved in here. Just complimenting how accommodating we are down here, so thank you, pass that on to the service group.

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

Chairman Davenport then stated item number 4. (sic 5), Mr. Cloud, our General Counsel's report.

Mr. Cloud stated just three quick items.

(5-a) Ratification – Settlement Agreement and General Release for UCNSB v. Cory:

Mr. Cloud stated first we're going to ask that you ratify the final settlement agreement for the Cory case. There were a couple of very minor changes, it's been signed but we just thought it would be prudent to go ahead and have a motion to approve it, to ratify that settlement.

Chairman Davenport stated that's all that we need, just a motion?

Mr. Cloud stated that's correct.

Commissioner Hawes stated I would make that motion; specifically a motion to ratify the Settlement and General Release dated 7-22-22, subsequently executed by NSBU Chairman on 8-5-22, associated with the approved NSBU v. Cory Mediated Settlement Agreement dated 7-25-22. Additionally, authorization for the General Manager/CEO or his designee to execute any additional documents associated with this matter.

Commissioner Kelly seconded this motion.

Chairman Davenport stated okay, any discussion. There being none, requested Mrs. Simmons to call the roll on the motion.

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

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

Mr. Cloud stated thank you, item two is I would request to schedule for our next meeting on September 26th (2022), an Executive Session related to the Hypower litigation. The purpose is to receive your advice related to settlement negotiations and strategy related to litigation expenses. If it turns out between now and then that we don't need it, we can cancel it, but the prudent thing giving where we are right now is to go ahead and schedule one for next month.

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

Chairman Davenport stated and that's like we do before, we come in convene, and then we go up (sic down), to chamber.

Mr. Cloud stated yes.

Chairman Davenport stated okay.

Commissioner Smith asked if Mr. Cloud needed a motion.

Mr. Cloud stated I do.

Commissioner Smith stated I so move; specifically a motion to approve the scheduling of an Executive Session at the next meeting, on September 26, 2022, related to the Hypower litigation, as detailed above.

Commissioner Conrad seconded the motion.

Chairman Davenport stated okay, any discussion? There being no further discussion, requested Mrs. Simmons to call the roll on the motion.

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

Mr. Cloud then stated finally, this weekend I was working on an APPA grant agreement related to cybersecurity facilities and I can't really discuss the details of that anymore because I'm subject to a non-disclosure agreement. And in doing so I got to read a lot of stuff I might not have normally read, but as I was monitoring today's meeting in discussions about I.T. and the system programming, it occurs to me with the new law that passed in Florida, that there will need to be some subtle changes to the way we roll out agendas. And I wanted to just bring it up briefly as a concept with an example from today's meeting to give you some idea of what you're up against with this new law. So for example, when you're, the new law says that there are two areas that are now going, it's going to change the way we've done things. Previous to that, the current law prior to this new law, was you actually have a duty to disclose the vast majority of documents and data that are produced by the Utilities Commission, it's called public records law.

Chairman Davenport stated Mr. Cloud, may I interrupt you here, is this just for the utilities or for...

Mr. Cloud stated yes, just for the utilities, yes.

Chairman Davenport stated okay.

Mr. Cloud stated and that's why I wanted; I just want to mention this. Then stated Mrs. Simmons, we're going to have to start thinking this through because the laws changed to reverse the presumption for certain kinds of utility data and documents. And that is now a duty, not only an exemption from public records but a duty not to disclose because they have been declared legislatively confidential. Now what is that exactly, it's information relating to

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

critical infrastructure, water, wastewater, reclaimed water, electricity, in other words what we do. And the critical infrastructure means either existing information technology or operational technology, system and assets, whether physical or virtual, where their incapacity or destruction would have a negative impact on security, economic security, public health or public safety. And the law goes on to say that those parts of the meeting and the agenda where an item like this is brought up is actually subject to being brought into an Executive Session. Now I'm not aware that's actually happened yet in Florida, but the laws in effect and because of what we do our sole reason for existence is this critical infrastructure, then we're going to have to start looking at that at certain levels. And I think maybe the best way to show you that sort of the not so bright line is that today when we're talking about like major projects, outlining all this stuff, its in a really high-level right, doesn't tell you where, it doesn't tell you the kind of equipment that's used in it, doesn't show you the design and it doesn't show you this, a schematic which is in item 3-f. Now this has to do with the reclaimed water facility, you know it probably doesn't cross the line, but if you were looking for sort of what's a guidepost to try and figure out what we should, I mean it still gets distributed to you right. Okay, and it gets distributed to staff, it doesn't go out to the public. Why, because its confidential, why, because it shows the layout and where the facilities are. If somebody wanted to tinker with this or more importantly where the lines are, where we have critical equipment for reliability, you know, the vast majority of people that live here, it's information that goes in and out, it has no consequence. But in a little town in Hillsborough County, not too long ago, called Oldsmar, somebody hacked in and changed the acidic levels on the water plant, and it was only discovered accidentally. So that's the purpose for this law and so as we go forward, we'll probably, you will still see it, things like this, but we should probably be really circumspect when it comes to this level of detail about our operations.

Mr. Cloud continued, and then of course, when we're talking about I.T., you know we start drilling down on some of these agreements, the agreements will go to you, but they won't be disclosed to the public. Why, well for one the APPA agreement is subject to a non-disclosure agreement that I had to sign personally. So we haven't sorted all this out, I don't want to mislead you into thinking we know all the answers. I'm not even sure that the FMEA does, but as we move forward through the rest of this year and into the future you may see some subtle changes in the agenda related to that so that we can at least show that we're complying with the law because there are some penalties put in there.

Commissioner Hawes stated Mr. Cloud, would that kind of mean, now I'm hearing this, but I don't know if this is right, you know when we almost have two meetings, one that deals with some of the things we're talking about but then more public.

Mr. Cloud stated well, if we started discussing, I mean I don't think anything that got discussed today would qualify for that kind of Executive Session, I just want to say that right now. But if for some reason we had a discussion at a level that could disclose information that if known could lead to somebody being able to black out a system, then yes, we would go into Executive Session for that. You would have to have a transcription, so that's not going to happen often. As a practical matter it's not going to happen often, number one. Number two rarely do we drill down to that level of detail because most of what we get, which is really good for us, but it's not going to help a terrorist or sheets and reports like this that are at 30,000

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

ft.; as well they should be. It's giving you the big picture so that you can see what the landscape looks like. But were we to get to a point of drilling down into something, particularly when we start dealing with these I.T. issues, then we're going, you know we're going to have to be circumspect on that. And I just wanted to bring it to everyone's attention.

Commissioner Hawes stated one other question, is that I mean we have this standard of care already as Commissioners, then we would have a higher standard of care on those, on that?

Mr. Cloud stated yes, absolutely, you could be charged with a felony under this new law were you to disclose a document. You're nowhere near that right now okay. You know the APPA's stuff is a long way from being finished, it's a small grant, it's probably not going to have any kind of data or documents in it that would violate this statute even though we are subject to an NDA on it.

Chairman Davenport stated when does this go into effect?

Mr. Cloud stated its in effect.

Chairman Davenport stated okay, all right.

Mr. Cloud stated the only reason I bring it up is I was...

Chairman Davenport interjected we're in compliance right now, what we've done today?

Mr. Cloud stated absolutely, totally in compliance.

Chairman Davenport stated so let's move on.

Mr. Cloud then stated and that's all I had.

Commissioner Smith stated wouldn't an example Counselor be when the Chairman asked Mr. Bunch about the security of the.., and Mr. Bunch politely said can't talk about it.

Mr. Cloud stated that's right, that's exactly right.

Commissioner Smith added that was an example.

Mr. Cloud stated that was an example.

Chairman Davenport stated perfect, I think we all got it based on that; I know I did.

Mr. Cloud stated that's all I have.

Mr. Bunch stated and we, in advance of this legislation, we try to make sure we don't put things out there that might be sensitive, absent state level guidelines. But there's only more details and more regulations coming in this area, but I appreciate Mr. Cloud keeping abreast of it and actually advising FMPA that there may be some gaps in the legislature.

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

Mr. Cloud stated we just, you know, we want to be in compliance and it's going to be hard because this agency has a remarkable reputation for openness when it comes to public records requests and Sunshine. It's something that is enviable as far as any other local government I've worked for in Florida. Mrs. Simmons bends over backwards to get stuff to people that other people, other cities I've worked for wouldn't necessarily do that. But ya'll have a different attitude here about it and it's a healthy attitude.

Commissioner Hawes stated one thing that kind of strikes me, in listening a little bit and I don't want to overstate this because this is the first time I've heard this, is there's sort of the law and the intended consequences of the law which I understand. Then there's the unintended consequence of maybe not sharing something or talking about something because we don't want to go forward, and yet as our duty as Commissioners we kind of need to know that even if we keep it to the side from sort of the citizen perspective.

Chairman Davenport stated but I think with Mr. Cloud sitting here and the counsel if we're getting ready to go out of line or something like a while ago, between Mr. Cloud here and Mr. Bunch here, just like Mr. Bunch directing at me a while ago, we're going to stay in the middle of the road, we'll be fine.

Commissioner Hawes stated I'm not asking them to blow the whistle, what I'm asking is to make sure that we're sharing the things we need to share.

Mr. Cloud stated well, we all get the agenda well in advance of the meeting and it just means that with review of each item now I'm going to have to apply this goofy statue. It is real easy to determine.

Chairman Davenport stated okay, moving along, is that it, Counselor?

Mr. Cloud stated yes, that's it.

Chairman Davenport stated good job, thank you sir.

(6) Old Business:

Chairman Davenport stated item number 6., any Old Business, Commissioners, Mr. Bunch?

Mr. Bunch stated no sir.

(7) New Business:

Chairman Davenport then stated any New Business?

Mr. Bunch stated yes, we have one item, it's the annual insurance carrier coverage approval that Mr. Chavez is going to review.

(7-a) FY2023 Employee Insurance Renewals:

Mr. Chavez came to the podium and stated so just to, this is part of our normal, we budget for this, it's just the size of the dollars, and it's really our medical insurance, so medical, dental, vision. So of course with increasing costs and such what we have been doing, which is our claims, the last couple of years have been on an upswing. We are now starting to trend down so our increase year over year has gone down. Originally, particularly on the medical, FHCP wanted a 9% increase, and we got them down to 6%. So if you looked at it a couple of years ago, we were probably at the last year's renewal, we were much higher, and because we're now getting our claims back in order. And in all fairness to us, the claims that were driving our loss ratio in essence were non-employee, family related, very just bad, poor, some serious medical conditions really drove a lot of that. With Ms. Carrizales joining on board, we just had our recent benefits and we're focusing on wellness and such to continue the positive trends on our employees and how we take, how we treat our health here at work and at home because it affects us all; but the increases are good. So on the medical side, 6% dental, slight 4% vision, no increase to premium. And what we did do as well, we bundled a lot of, some of these ancillary programs, we put them under one carrier, and we got some better rates. We actually offered a more in-depth employee assistance program which was funded by some of the other reductions which really, it was a, we're always looking to see how we can improve, get the best, most cost-effective coverage for our employees, at the best price; so definitely doing that. I would request your approval on the life insurance (sic all insurances) and this was budgeted and its what we do every year.

Chairman Davenport stated did we, do we get quotes, other comparisons? I mean how many did we get?

Mr. Chavez stated so what we do is, we, FHCP we've had for several years, now as we look, and in essence that's probably one of the single largest. As we look at going forward if our claims get back in line what we may do is look outside to an insurance captive. Different ways in essence because you bundle up if you've got good coverage, sorry, good performance on your claims you can look at other types of insurance avenues. So that is how we look at it and what we'll probably do is as we do, we go to market. But in this year, this was pretty good and as we look down the line, we'll look at insurance captives potentially as in all, we just have to get our claims under control.

Chairman Davenport stated and you're comfortable with what Brown and Brown said and comparisons?

Mr. Chavez stated yes, very comfortable. So Brown and Brown does the shopping around for us and we met with them last year on the captives but that, just because our claims weren't there, but we're starting to get back more in line with what we've done historically. But I would ask for your approval to proceed.

Commissioner Kelly then stated move to approve; specifically a motion to approve the continuance of employee insurance for FY2023 with the carriers/coverages listed in the summary of the agenda item, to be effective 10-1-22 through 9-30-23, FSA renewals effective 1-1-23 through 12-31-23.

(7-a) FY2023 Employee Insurance Renewals (cont.):

(Medical – FHCP / 6% premium increase; Dental – Standard / 4% premium increase; Vision – EyeMed / no premium increase; Group Term Life and AD&D – change to Standard / premiums 6% less – Minnesota Life’s renewal rate; Voluntary Life and AD&D – change to Standard w/slightly enhanced benefits; Short Term Disability – change to Standard, 4% premium decrease; Long Term Disability – change to Standard / no premium increase; and Flexible Spending Account – change to MedCom / no change in NSBU fees)

Commissioner Conrad seconded the motion.

Chairman Davenport stated okay, we’ve got a motion to approve, we’ve got a second by Commissioner Conrad, any discussion?

Mr. Chavez confirmed none, okay.

Chairman Davenport stated do we have a, you know when you say this, you reviewed this with Brown and Brown?

Mr. Chavez stated yes, myself and Ms. Carrizales, we go through every single coverage and we look to see as well if we want to make adjustments to certain coverages to see if its worth it. A couple of years ago for example we, to encourage more regular, to not use the emergency room as a primary care physician. What we did was we, you know this was a couple of years ago, the co-pay to go to an emergency visit was slightly increased. Because what we want to do is encourage regular wellness visits, you know once a year check-ups. And then as part of the wellness initiatives that we will be doing, Brown and Brown, we had reps. from life insurance, FHCP, and a few others, and we had a survey asking about wellness, because those things help us on our premiums as well.

Chairman Davenport stated did we put an RFP out on this by any chance?

Mr. Chavez stated so what we did, we do RFPs on Brown and Brown and then Brown and Brown shops for us as our broker; that’s how we do it.

Chairman Davenport stated okay, all right.

Mr. Bunch stated so we need a vote.

Chairman Davenport then stated we need to call the roll Mrs. Simmons please.

Commissioner Kelly’s prior motion then passed unanimously on a roll call vote.

(8) Possible Other Business – Time for Commissioners:

Chairman Davenport stated okay, item number 8.

Mr. Chavez stated I just have one other, one unrelated, sorry. So I wanted to get back with you on the 5th Street Bridge.

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

Chairman Davenport stated yes sir.

Mr. Chavez stated so per discussion with Ms. Couillard, she's going to give us a formal update after this but in essence we're scheduled to relocate, direct bury, directional bore our water, wastewater and electric. But once we do that, that's our portion.

Chairman Davenport stated right.

Mr. Chavez continued, which by end of September, and then the City has to do their thing with the bridge. So that's where, she looked on the City's website, but she'll reach out I believe to Kyle Fegley to see where they're at with their portion of it.

Chairman Davenport stated thank you. Okay, now item number 8., anything to say there Commissioner Smith?

Commissioner Smith stated yes, funny you should ask.

Chairman Davenport stated yes sir.

Commissioner Smith stated no, just a comment, the other day I went and got a drink of water and I was thinking how we just take it for granted. We take it for granted, we have this water we can drink it, we know it's been treated properly, we know if comes from a good source and we know that the staff was looking out for our health. And that's just not the way it is everywhere in the world. And being able to do that, I just started thinking, boy I had a moment, well that's pretty nice, a pretty nice deal. That's it.

Chairman Davenport stated Commissioner Hawes?

Commissioner Hawes stated yes, I just wanted to put a plug in to, I thought I recalled a few months ago that when we brought those feeder lines, that they were across I-95, they were going to have to shut the freeway down for a little bit. And from a selfish perspective I've driven in big cities for 25 to 30 years and it's been snow, and water, and accidents, and fires, and active shooters and all of those things that shut down freeways, and boy would there be a small cosmic sense of justice if I could just be part of that. Thank you.

Chairman Davenport stated we want cosmic justice.

Commissioner Hawes stated yes, we would need cosmic justice, yes.

Chairman Davenport then asked Commissioner Kelly for his comments.

Commissioner Kelly stated yes, Mr. Chavez, great job on the insurance stuff, we just went through all that stuff and it's a fascinating industry, but we dealt with the same thing and this organization is similar to automotive industry, it's got so many different areas of occupations right, different things that they do; so that's a great job. Added Friday night storm, great deal, that was wicked out there where we were at.

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

Mr. Bunch interjected it was a bad storm.

Commissioner Kelly concurred, and didn't have again the neighborhood Facebook page didn't blow up, so congratulations for that.

Mr. Bunch stated Vernon Steele, the gentleman over there in the blue, his folks were working through the night and into Saturday.

Commissioner Kelly stated yes, that was amazing how quick you got it. Because I thought there was a tornado coming at some point, it was so wild, it was really a good job. Adding it had to be wet out there though, all had to be soaked.

Mr. Steele stated we had probably 75% of the employees (electric) coming in Friday night and into Saturday, around noon.

Commissioner Kelly stated yes, it was pretty big.

Chairman Davenport stated how many employees, 75?

Mr. Steele stated 75%, so about 15 to 20 employees.

Commissioner Kelly stated yes, it was a pretty major storm for a non-event, just a thunderstorm, it was wicked. And whoever handled Sugar Mill, I talked to Mr. Bunch about that, you know they had some needs for water that were expected but unexpected.

Mr. Bunch stated Joe Grusauskas in the back and his staff talked with Derek (Morrison).

Commissioner Kelly stated phones were just ringing off the hook on that one because Derek circled the wagons out there and rightfully so, they had a million dollars invested out there, just didn't plan for that well, I don't think. But thank you, that was a great job, and they were really happy and as you know Sugar Mill folks are very vocal, not only here but across the street type thing; that was a great job by the whole team.

Chairman Davenport commented you hear them at Venetian Bay, don't you?

Commissioner Kelly stated yes, we do, I've got both their Facebook pages, it's fun, it's comical you can see out there, it's amazing. But they did a great job.

Chairman Davenport stated Commissioner Conrad?

Commissioner Conrad stated we've covered a lot of ground today and the presentations were really, really helpful, as usual. Thank you very much for everything that you put together to help us help you.

Chairman Davenport stated good. Then commented and I like your dress, that New Smyrna Beach dress. And I want to make an observation here, you know we're, if you look at our stationery and you look at our agenda, we've got our names on here and what I'd like to see,

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

I'd like to see people get recognized, people who really, really are part of this. Mrs. Simmons, I think your name should, ought to be on there, Executive Secretary, Debbie Simmons. You've been here, we couldn't run this place without you, you know that, and we know that. I would like to make that recommendation, to give you that recognition, please ma'am, or please sir, if we can do that Mr. Bunch.

Mr. Bunch stated done.

Chairman Davenport continued, and its just great to sit here and like I said I'm reminiscing after seeing the report that Mr. McMurray did over the last few years and I'm going wow, wow. We did an active part laying out the road out here, we got involved, we didn't let the County lay it out. We laid out Williamson Drive (Blvd.), to utilize our property Mr. Chavez, the way we're going to, Jack Holcomb and I were very vocal about that as ya'll remember. Commissioner Conrad, you remember, we're not going to let you all tell us where our road is, we're going to put our road where..; Counselor you were right in middle of it with us. It's little thing that we're all up here giving our hearts to and it just makes you feel good that you know you can see results and you know you're going the right direction. You see, reading those reports today when I was fortunate to interview Mr. Bunch and I told him one of the things most important to me in this community was to get along with the City Commission and be involved in our community. And he's done that, we're involved charity-wise, we're involved in what you were doing, giving back, the schools, and I just love seeing results and that's what we're seeing here. So accolades to everybody, and congratulations to you Mrs. Wood. And based on that anybody else? I'm going to call this meeting adjourned. Thank you.

There being no further business to come before the Commission, the Regular U.C. Meeting closed at 4:50 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.}