

AGENDA ITEM 3-a

MINUTES OF A PRELIMINARY PUBLIC HEARING AND REGULAR MEETING OF THE NEW SMYRNA BEACH UTILITIES, CITY OF NEW SMYRNA BEACH, FLORIDA, HELD MONDAY, JANUARY 23, 2023, AT 3:00 P.M., AT 200 CANAL STREET, NEW SMYRNA BEACH, FLORIDA

Preliminary Public Hearing RE: NSBU's Consideration and Declaration Concerning Two New Public Utilities Regulatory Policies Act (PURPA) Standards – (1) Demand Response and Demand Flexibility and (2) Electric Vehicle Charging Programs:

Chairman Davenport stated today we're going to start out with a Preliminary Public Hearing. On the agenda Public Hearing, New Smyrna Beach Utilities, today January 23rd, 2023, at 3:00 p.m. Item today will be talking about NSBU's Consideration and Declaration Concerning Two New Public Utilities Regulatory Policies Act (PURPA) Standards. Number one – Demand Response and Demand Flexibility and number two – Electric Vehicle Charging Programs. Okay if I could please, Mrs. Simmons could you call the roll please.

All of the NSBU Commissioners were in attendance as follows:

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

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. Couillard, Director, Engineering; J. McMurray, Director, Strategic Programs; J. Grusauskas, Director, Water Resources; J. Michel, Interim Director, I.T.; M. Spellers, Sr. Help Desk Technician; L. Green, Help Desk Technician; H. Carrizales, Sr. Mgr. H.R./Support Services; D. Wood, Sr. Mgr., C.S. & Communications; E. Fisher, Communications Mgr./PIO; W. Henry, T&D Supervisor; D. Simmons, Exec. Mgr./ Recording Secretary; General Counsel Thomas Cloud, Esquire – Gray|Robinson Attorneys at Law; Lisa Martin, NSB City Commissioner, Dawn & David Whiteley, Lorraine Sharp, Laura Rossiter, and an unidentified woman, as members of the public in attendance on site.

Chairman Davenport stated okay if I could turn it over now to Mr. Cloud, Counsel.

Mr. Cloud then read the title of the proposed Resolution for this matter. Stated Resolution No. 2023-01, a Resolution of the Utilities Commission, City of New Smyrna Beach, Florida, Declaring the Commission's Intention with Regard to the Requirements of the Public Utilities Regulatory Policies Act (PURPA), Supplementing NSBU Resolution Nos. 2-08 and 1-09, Rescinding All Resolutions, or Portions Thereof, in Conflict Herewith and Providing for an Effective Date.

Chairman Davenport stated is that it, Mr. Cloud.

Mr. Cloud stated yes sir, that's it.

Preliminary Public Hearing RE: Two New PURPA Standards (cont.):

Chairman Davenport stated thank you sir. Okay, any comments for or opposed to New Smyrna Beach Utilities consideration and declaration concerning the two new PURPA Standards. Anybody against it, anybody for it? Okay, I'll close this Preliminary Public Hearing if there are no comments, closed.

This Preliminary Public Hearing closed at 3:02 p.m.

Regular NSBU Meeting Held 1-23-23:

After concluding the Preliminary Public Hearing for consideration of the two new PURPA standards, Chairman Davenport stated now we'll move on to our Regular Meeting, and then called the Regular Meeting of New Smyrna Beach Utilities held on January 23, 2023 to order.

Presentation of Certificate for Completion of Meter Technician Certification Program from Northwest Lineman College to Brady Benishek:

Chairman Davenport stated first of all I'd like to give a presentation certificate for completion of a Meter Technician. If I could have Brady Benishek come forward.

Mr. Chavez came to the podium and stated Brady is on his way in from the field, so he's going to be a little delayed, so if that's okay.

Chairman Davenport stated okay, we can work around that, absolutely.

Mr. Chavez stated okay, perfect.

Chairman Davenport then stated if I could then, if we'd stand and get Commissioner Hawes to lead us in the pledge and then we'll have our invocation please; thank you.

Commissioner Hawes led in the Pledge of Allegiance and Commissioner Kelly provided the Invocation.

Safety Message by Julie Couillard – Preventing Slips, Trips, and Falls:

Chairman Davenport stated okay, if we could, next if we could have Ms. Couillard please, Preventing Slips, Trips and Falls.

Ms. Couillard then indicated that Brady Benishek was in attendance now.

Chairman Davenport stated oh, Brady is here.

Mr. Chavez also confirmed Brady was now in attendance.

Presentation of Certificate for Completion of Meter Technician Certification Program from Northwest Lineman College to Brady Benishek (cont.):

Chairman Davenport then stated okay, Brady if you'll come front and center. Then commented Brady Benishek's father worked for the Utilities Commission about 33 years so he's got a legacy here, this young man. What we're going to do, congratulations, it's my privilege to present Brady Benishek with this certificate for the Meter Technician Certificate Program for the Northwest Lineman College. The Northwest Lineman College Meter Certification provides an existing Meter Technician with enhanced safety skills, technical knowledge for existing job duties, and additionally serves as a building block for further professional development within the electric power delivery industry. There you go young man, congratulations.

Mr. Benishek accepted the certificate from Chairman Davenport and stated thank you.

Chairman Davenport added we're proud of him. Those in attendance applauded. A photograph was then taken by Mrs. Fisher and subsequently placed on NSBU's Facebook.

Safety Message by Julie Couillard – Preventing Slips, Trips, and Falls (cont.):

Chairman Davenport then came back to the dais and stated before we get started, I'd like to go ahead and do our safety now. We're ready for slips, falls and trips.

Ms. Couillard stated sure – Slips, Trips and Falls. So I have a video, every two weeks I have a Manager's meeting and we use these videos as instructions for my team and I thought this would be a good one to share with everybody. It's focused on business but its also applicable at home. (displayed a You Tube Video from Ally Safety)

At conclusion of the video Ms. Couillard stated one final note is in addition to everything she talked about, people who are on their phones walking, carrying or walking downstairs, don't walk and look in your phone, it's a good way to get hurt or killed, especially crossing streets and things, that's it.

Chairman Davenport stated thank you Ms. Couillard, appreciate you.

Roll Call:

Chairman Davenport then stated next if we could please, Mrs. Simmons, get roll call please ma'am.

A roll call was taken, with all NSBU Commissioners and attendees from the Preliminary Public Hearing remaining in attendance (as depicted above).

Chairman Davenport stated thank you and added before we get started, I'd like to recognize one of our new Commissioners (City of NSB), Ms. Lisa Martin. Thank you, glad to have you here and see you here all the time, saw you many, many times without the status you are now, but thank you for being here.

(1) Agenda Changes, Additions and Deletions:

Chairman Davenport then stated Mr. CEO any agenda changes, additions or deletions.

Mr. Bunch stated one minor addition Chairman. We're going to have item 4-d., John McMurray is going to give a quick update on the electric vehicle charging installations.

Chairman Davenport stated okay, it's 4-d.

Mr. Bunch stated yes, it's 4-d., thank you.

Chairman Davenport stated okay, any other changes?

Mr. Bunch replied no sir.

(2) Public Participation:

Chairman Davenport stated okay, next we have Public Participation, we have Dawn Whiteley here. Dawn please if you'll come to the podium, we'd limit to three minutes please ma'am. Thank you for coming.

Mrs. Whiteley then asked where?

Chairman Davenport stated you can go right to the podium ma'am please. That's okay, we all get that way sometimes.

Mrs. Whiteley stated yes, especially today. Okay, thank you.

Chairman Davenport stated yes ma'am.

Mrs. Whiteley stated I'm starting with my name is Dawn Whiteley, I live at 2071 Marsh Harbour Drive in New Smyrna Beach, Florida. I'm speaking to you this afternoon on behalf of my husband David Whiteley and myself. We are here in reference to the Grid Reliability Project. We are aware of the two proposed routes. Our home is on the green route, number two. If this option is chosen, the grid will drastically alter and impact our property. Please understand that our homestead is right on Turnbull Creek. We are very concerned about the environmental impact of this project. We know that the residents of NSB are too, and this is how I know that, on November 6, 2018 over 70% of NSB residents voted in favor of issuing up to \$15 million in General Obligation Bonds to protect natural areas and wildlife habitat. Turnbull Creek was selected for its environmental sensitivity and historical significance. In February of 2019, the City Commission created the Turnbull Creek Land Preservation Committee. Over 100 properties were chosen along the creek and they were ranked for environmental importance. One hundred of these properties were ranked and we received one of the handouts that our property was one of the hundred chosen for environmental sensitivity. While we know that the City NSB Commission and the NSB Utilities Commission are totally separate entities we believe that the same 70% of our citizens voted to preserve what is left of our natural past. Thank you for your time and consideration.

(2) Public Participation (cont.):

Chairman Davenport and other NSBU Commissioners stated thank you, and then Chairman Davenport added everything okay Mr. Bunch.

Mr. Bunch stated yes, so I would just mention the project Mrs. Whiteley is referring to is the Grid Reliability Project which would have an extension between the Airport Substation near Turnbull Bay and Field Street which is off 44. We held a preliminary, well a public workshop about two weeks ago at the Brannon Center and submitted input from customers. I don't remember exactly how many folks received the notice, but it was the folks near the route, the target distance was within 500 feet within two of the preferred routes. Between now and then we'll be taking feedback from the folks who attended, and we'll include this and use that in determining the recommended route. So sometimes between now and May we'll have at least one public hearing where it will be recommended based on the consultant's recommendations, staff and feedback we got from our customers. So customers will have at least one, if not more opportunities to work with us in a public setting between now and the recommended being made and then potentially approved by the Commission.

Chairman Davenport stated okay, thank you, and added to Mrs. Whiteley all our dates are posted on the website too and any meetings, any upcoming of what we're working on so it's totally transparency for you also to go on the website.

Mrs. Whiteley stated thank you.

Chairman Davenport stated yes ma'am.

Mr. Bunch stated and Ellen Fisher, our Communications Manager is in the back and I think Mrs. Whiteley spoke to her before the meeting, she's emailing folks that have expressed an interest and folks that attended that Workshop. So if Mrs. Whiteley didn't attend, we'll make sure that Ms. Fisher adds her email to that list.

Chairman Davenport stated thank you, thank you Mr. Bunch.

Mr. Bunch stated thank you.

(3) Approval of Consent Items:

Chairman Davenport stated okay, item number three, approval of consent items, we've got a through f. Commissioners, everyone comfortable or would like to pull anything.

Commissioners Kelly, Hawes and Conrad indicated no.

Chairman Davenport stated Commissioner Smith?

Commissioner Smith stated I'm good thank you.

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

Commissioner Conrad then stated okay, I make a motion to approve the consent items a. through f.; specifically a motion to approve item 3-a. Minutes of Regular NSBU Meeting Held 12-15-22, approve as submitted; item 3-b. Ratification – Granted and Accepted Third Party Utility Easements (Zaxby’s and Jimmy Hula’s), ratify acceptance of two third party granted utility easements – Zaxby’s Restaurant on S.R. 44 from Courtland of New Smyrna, LLC, and for Jimmy Hula’s Restaurant on Canal St. from Peacock Farm Supply, LLC; attached to this agenda item and hereby submitted to the Commission; item 3-c. Approval – Developer’s Agreement – Cordova (aka Village Center East), approved the DA for Cordova by Collier Luna Bella Lane, LLC and authorize the GM/CEO or his designee to execute this document when contingencies are met; item 3-d. Approval – Award of RFP No. 22-22 Annual Pump and Motor Repair Services, approve the issuance of three annual service agreements (1-yr. w/option to extend up to 3 1-yr. terms) to Florida Armature Works, TAW Power System, Inc. and Southeast Pump Specialist, award under RFP No. 22-22 for Pump and Motor Repair Services, and authorize the GM/CEO or his designee to execute all documents associated with this matter; item 3-e. Approval – Vacation of Easements – 602 N. Peninsula Avenue, approve the vacation of two utility easements located on 602 N. Peninsula Avenues, described in agenda item summary and depicted in attachments, and authorize the GM/CEO or his designee to execute any additional documents associated with this matter; and item 3-f. Project Approval – Annual Hydrogeological Services (FY23 thru FY26), approve continuance and approval of these services to Kimley-Horn and Associates in a total amount of \$200,000 (to be issued annually in amounts of \$50,000.00 for FY’23 thru FY’26), and authorize the GM-CEO or designee to execute all documents associated with this matter.

Commissioner Kelly stated second.

Chairman Davenport stated okay, we’ve got a motion on the floor with a second. Mrs. Simmons, if you’ll call the roll please ma’am.

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

(4) General Manager’s Report:

Chairman Davenport stated item number four, General Manager’s Report, Mr. Bunch.

Mr. Bunch stated thank you Mr. Chairman, I’m going to ask Efren Chavez to come up and give us an update on the monthly financials.

(4-a) Financial Status – December 2022:

Mr. Chavez came to the podium, stated hello everyone, and then proceeded to the first slide of his presentation stating December 2022 results. From a fiscal year to date perspective as of December we have net assets of about half a million. Lower than what was this time in prior year. The lower change in net assets was primarily driven by increased purchased power and operating expenses, slightly less capital contributions, but it’s offset by increased revenue, rates, customer growth and updated purchased power adjustment. In addition to our financials, we also have the FMPA interest and support that we’re getting from FMPA on our

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

investments, so that's definitely working out to our benefit especially in an increasing interest rate yield environment, so good on that end. We had year over year on the usage side of it, had year over year electric consumption slightly lower driven by the milder weather, but what we did notice is that December's usage is definitely up significantly compared to the prior month's trend, so heading in the right direction. Purchased power positively as we had been discussing, so what we're seeing is natural gas is kind of settling down in the \$3, \$4, really \$5 range, which is much, it's a better improvement over last year's trends. And I think overall really the macro-economic environment as it relates to the milder weather in the northeast, so it's had a natural stabilizing force on the price of natural gas. So our purchased power was \$69.74 per MWh, so about \$8.50 higher than budget and then slightly higher than prior year, but it's already down from the month before of \$73.53. So we're seeing things head in the right direction, no guarantee in the future but it's definitely going in the right direction. On the water consumption side slightly lower, water 2.3% and just under 0.2% for wastewater, reclaimed down significantly and that lower usage was driven by Ian and Nicole. So at the time we kind of had to stop providing, but at that time there was too much water regardless.

Mr. Chavez went to the next slide and stated on the capital expenditures, about \$2.3 million, a million in major and \$1.3 million in annual projects. On the major projects side is renovations on our lift stations, on the water side Glencoe Upgrade, on the number two and number three wells, and then on the electric side, Line 17 Rebuild. So projects that we had discussed in the prior year we are now moving forward with accordingly. On the annual projects spend the Gravity Sewer Lining, Tools and Equipment, New Business – Electric and Water (installations). So we're still seeing the steady consistency on the growth side or the customer side.

Mr. Chavez went to the next slide and stated so this is our slide around natural gas and the spot prices. You'll see the green line there, that's current fiscal year 2022, the last three months - \$5.66, \$5.45, and then \$5.53 for December. As of right now the spot market price in January is around, hovering around \$4.00 MMBtu on natural gas, so once again right now that's what we're seeing. Unless there's some big change in any of the weather or the macro on Ukraine and others, we expect that to stay relatively in the lower range, but no guarantees.

Mr. Chavez went to the next slide and stated the over/under Fuel Cost Recovery, this is one as we have been monitoring it as well to try to build back our over-recovery. So what we expect to see is that green line in the upper left-hand corner to continue to go down until it becomes an over-recovery. It's heading in the right direction, \$2.4 million at the beginning of the year, \$1.9 million currently at December. But we'll keep monitoring that but it's trending in the right direction at this time.

Mr. Chavez went to the next slide and stated so this is our slide around operating income, this is our controllable, you know everything that our operations folks, of course excluding the weather, that we can control. But you'll see there on the green bar you'll have the increase in revenue, between the usage, the rates and the purchased power adjustment. Slight increase on the depreciation and amortization. And then of course the big red line there is the increased

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

purchased power, but that's versus prior year. So as these, as the trends continue, if things continue on the current path, we should ideally see that trend downwards. And a slight increase on the other operating expenses but that's to be a given as it relates to versus the prior year.

Mr. Chavez went to the next slide and stated so this slide is just kind of getting back to the \$0.5 million in net assets, this adds in the other characteristics below the line. But no, slightly lower on the capital contributions is probably the biggest change from the other slide but that we can't control, that's just a function of when developers and others pay their capital contributions or contribute those assets; so far, it's been primarily cash. Overall things are heading in the right direction. We will be starting the budget process in the next month or so, we'll prepare ourselves again on the capital and on the O&M side, but we expect to put some additional rigor on our operation and maintenance and put a finer pencil to our capital spend as we look at our bond funds and such. But overall the team's doing a great job and we'll keep moving forward. Unless there's other comments or questions, end of report.

Commissioner Hawes stated this is a little off from the financials I guess, but is the increase in costs, are you seeing anything from a customer's standpoint issues or challenges that people have paying their bill or is it pretty much..?

Mr. Chavez stated no, that's a good point, so it's been, we've been very, a lot of our customers, it's a smaller group that occasionally has some issues, but our customer service group works with the customers on payment plans and a lot of times there are other non-profit organizations that assist with folks that have problems with payment. So it has been, its consistent in the sense that we're, if folks need help we work with them to try to find them some help.

Commissioner Conrad stated so the trend line is like flat, it's not increasing.

Mr. Chavez stated yes, no we don't see it from a collections' standpoint and such. We are, they're still over 99% in the 30-day category. So to your point those metrics are still from our standpoint pretty good.

Chairman Davenport stated Mr. Chavez, I had an Admiral come up to me the other day and say the Utilities Commission's by far is one of the best run organizations I've seen in this town as far as letting know what's going on, the service, the hurricanes, and how we get everything back online. So I just want to pass that on to everybody out there, he was, this guy doesn't throw compliments very often, the Admiral, he's expecting them usually.

Mr. Chavez stated that's a good point, and no it's really a good effort by our team, we've implemented a number of different... We've implemented SilverBlaze which recently went live and Danielle Wood, our Customer Service Manager will present something in February. But an all-in customer portal, really on the customer experience, we leverage our direct communication on any water outages and such, OMS is another tool that we use. So there's a lot of, we're really improving that customer experience to provide real-time information to the extent that we can; but thank you for the comment.

(4-b) 1st Quarter Balanced Scorecard and Enterprise Metrics – for December 2022 and 1st Quarter Reliability Performance Summary:

Chairman Davenport then stated okay, Mr. Bunch.

Mr. Bunch stated okay, so the next presentation is the update on the First Quarter Fiscal Year 2023 Key Performance Indicators or KPI's, and I'm going to have a number of the members of the leadership team present. But on the background slide (1st slide of presentation), this presents a summary of the first quarter fiscal year 2023 key performance indicators, KPI's, covering October 1 through December 31st. And just as a reminder to the Commission and for the folks in the public attending, we meet regularly to review our KPI performance. We compare ourselves to industry, best practices and peer utility benchmark data where that's available. And then as the leadership team we use this information and data to drive targeted performance and also where we make investments. And then lastly this supports our Vision and Mission, Values and then our Modernization Roadmap. Which is a portfolio of projects to move us from where we were several years ago to where we'd like to be as a utility and is going to continue to deliver further coordinated improvements. So with that I'm going to ask Heather Carrizales, our Senior Manager of Human Resources to come up and give us an update on her area of the business.

Ms. Carrizales came to the podium and stated good afternoon Chairman and Commissioners, Heather Carrizales, Senior Manager of Support Services. We'll kick it off by talking about the Safety and Risk metrics here, as you are aware, we did have one OSHA recordable incident right after the hurricane, that's also the same incident that's referenced in the second bullet there for the DART metric as well. Currently puts us in the red but provided we have no other ones of these for the rest of the fiscal year, we'll end up the year in the green. As a side note I have talked to the affected employee a few weeks ago, talked to him several times throughout but most recently just a couple of weeks ago, he was in good spirits and his recovery is progressing nicely in accordance with what his doctors expect to see; so it was good news. The third bullet up there talks about our vehicular safety, our preventable motor vehicle accidents, we did have one so far, this fiscal year. Again this was also hurricane related however we have made significant improvement over the last couple of years, as a result of employee training, the use of spotters, and installing back-up cameras in our vehicles have really helped bring this metric into the green and keep us safe. The last one, we have had one third-party claim as well in the first quarter of the fiscal year to the tune of about \$1,300. So it wasn't a huge claim, but it was one that we did address promptly and quickly to resolve the situation. And then looking ahead for our planned safety program improvement activities for fiscal year 2023, things like implementing a structured safety management system. We recently finished our Lock Out Tag Out policy and issued training on it with the assistance of FMPA just a couple of weeks ago to employees. This was something that we actually had in the works for a couple of months now and just wrapped up. We've also got ongoing targeted safety training topics to roll out the rest of this year as well as we've got our Safety Involvement Team. So members from each of the departments meet with the Safety Improvement Committee to help us develop procedures and support the change management within our departments for safety.

Ms. Carrizales went to the next slide and stated under the Organization Capacity, Maureen Lynch and her team in Materials Management are really doing a fantastic job in turning

(4-b) 1st Quarter Balanced Scorecard and Enterprise Metrics – for December 2022 and 1st Quarter Reliability Performance Summary (cont.):

requisitions around and getting purchase orders issued within about a day, whether they're under \$75,000 or over \$75,000, they've turned those around very quickly; so I know staff really appreciates that. From the Human Resources perspective at the end of the first quarter of FY2023 we did have 14 budgeted vacancies. We are reviewing six of those positions to make sure we have the right people in the right seats, going in the right direction for what the business needs are currently. So we're not actively recruiting for all of these positions, we are reviewing some of them. Some of the other ones that we do have a number of lineman vacancies, which are actually in the interview process right now. We'll be bringing in candidates later this week to put them through some assessment testing as well as the interview process to get those filled.

Commissioner Hawes stated just a quick question on that, does the Lineman College help with any of that or are they doing their own?

Ms. Carrizales stated absolutely, the Director of Electric Operations, Vernon Steele and myself attended a job fair last summer with them. We met a lot of their students coming through their Apprenticeship program, collected a lot of resumes. So currently we're looking for ticketed journeymen linemen, but we do anticipate a couple of apprenticeship openings and we may very well take some from the Lineman College as well. So we've got a great partnership with them, both Mr. Steele and myself keep in regular contact with them to keep those lines of communication open. The average time for recruitment, again we're looking at ways we can always reduce this. I believe in my short tenure here we are a premier employer in Volusia County. We receive a lot of unsolicited resumes, people going do you have any openings. I think for our front-line and field positions we've got them beating down our door, so those positions when we do have those vacancies are pretty easy to fill. We recently hired a cashier and a customer service representative and brought on some utility operators in Field Ops. It's some of those highly skilled technical positions that we really still have a tight labor market for such as an Electrical Engineer, that we tend to have a little more difficult time filling those positions, but we're chipping away at it. And then the Information Technology metric there, as you can see, Jason Michel and his team are doing a great job, we're all in the green. Everybody's completing their cyber training which is always a hot topic. You know the phish testing, employees are doing a great job of not falling for the emails that they send out to us, that sometimes can be a little tricky. You know help desk tickets, Moses Spellers and Laquavius Green are doing a great job at turning those around and getting those resolved quickly. Which gives us an overall organizational risk score which is in the green, so great job by the I.T. team as well. Any questions for me before I hand it over.

Commissioner Smith stated what happens if somebody gets phished?

Ms. Carrizales stated oh, you know about it.

Chairman Davenport stated to Commissioner Smith you haven't seen it?

Ms. Carrizales stated the I.T. team yes, they'll...

(4-b) 1st Quarter Balanced Scorecard and Enterprise Metrics – for December 2022 and 1st Quarter Reliability Performance Summary (cont.):

Commissioner Smith then stated I've got phished before.

Chairman Davenport stated I have too, I don't like it. I only answer Debbie Simmons in emails.

Commissioner Smith added but with the State they make you take a course.

Ms. Carrizales stated well we get a little retraining too if you click on a link you're not supposed to.

Commissioner Smith stated yes.

Ms. Carrizales stated you know Jason Michel and his team are quick to act on that, they do retraining, they make sure that no damage was caused internally, you know make sure nobody got access to things. So the team is very quick to react when somebody does click on a link that they shouldn't, but then yes, there's some definite retraining that comes along with that.

Commissioner Smith stated do you send out phishes?

Ms. Carrizales stated yes, H.R., you know pictures of Santa Claus by the H.R. Department, absolutely, schedule your appointment here, those types of things. And they are getting, the people now a days that are sending out the phishing emails for nefarious reasons are getting more crafty, so therefore our I.T. team have really stepped up their game and made it harder to tell what is a phishing email. So just heightening awareness of employees so that we don't do something that we're not supposed to and put our organization at risk. Thank you, and with that Danielle (Wood).

Mrs. Danielle Wood came to the podium and stated good afternoon everyone. For Customer Service, at the end of fiscal year 2022 and beginning of 2023 we faced some staff challenges due to internal promoting which is wonderful because we had some great folks move up within the company. With that we experienced a little bit of down on our metrics, our abandoned call rate dropped in November, actually increased in November so it put us in the red for our year-to-date metrics. However we have everybody fully trained now, we've hired a couple of new employees, so we are working on getting everything back on track which you can see in our December numbers. So our Customer Service Level which is the percentage of calls we answer within the first 60 seconds if the customers on hold, that was 97.2% for December. And then our Abandoned call Rate dropped down to 1.09% and our Speed to Answer was 39 seconds, our average speed to answer was 39 seconds this month. So our year-to-date for all three categories is in green and we expect it to stay that way, we don't see any obstacles coming forward for that.

Mrs. Wood went to the next slide and stated for Billing and Collections, our accuracy for meter readings, I don't know if you guys see this generally but they're always really good. Our meter readers strive to do the best they can for accuracy of the meter readings because it then flows into our billing system and that's the ultimate goal to get accurate bills to our

(4-b) 1st Quarter Balanced Scorecard and Enterprise Metrics – for December 2022 and 1st Quarter Reliability Performance Summary (cont.):

customers in a timely fashion. So for electric meter readings our accuracy was 99.93% in December and 99.51% for water. As I said it's a direct result of all the effort that our Meter team does. Our meter re-reads were 0.21%, year-to-date is 0.29%. We expect everything to stay in the green for the remainder of the year. Our estimated bills we did see go into the red slightly for the month of October due to the hurricanes, we had a lot of flooded meter boxes, water meter boxes. So to get those reads was a bit difficult as you can imagine. So our Uncollectible Revenue this month was at .04% and that is a direct result of our Customer Service staff and everyone really, Meter team getting the accurate reads too because it all kind of flows down into the system. But our staff really goes above and beyond to collect all customer data every time we make contact to make sure we have accurate mailing addresses, and telephone numbers, make sure our deposits are up to date if a customer is disconnected for non-payment. And we make outgoing manual phone calls to the customers prior to a disconnection to make every good faith attempt to get the customer paid and not have to actually make them go through the process of a disconnect and a reconnect. So we really feel like the strong but very friendly collection policies that we have in place are working for us and we plan on keeping that going and I anticipate everything to be in the green for that as well. So anyone have any questions for me.

Commissioner Hawes stated I have one question, it's a little off topic but are you the person or maybe your area who puts together the information for the board packages and things.

Mrs. Wood stated that does not come from me, that is generally Mrs. Debbie Simmons I believe.

Commissioner Hawes stated oh, okay, I thought there was a Danielle that I saw on top of some of the sheets.

Mrs. Wood stated you might see my name somewhere every once in a while.

Commissioner Hawes stated well, it's well done in any event.

Mrs. Wood stated thank you.

Mr. Bunch stated to an earlier question, Mrs. Wood, if customers are having difficulties making payments can you speak to some of the outside organizations that you point them to and try to get assistance from when that occurs.

Mrs. Wood stated sure, so we have our own We Care fund, where employees, I mean not employees, but customers are able to contribute to. Anything that we collect from there goes to the County of Volusia Social Service Agency, so those funds, along with LIHEAP are able to be used through the County to help customers pay their bills, but there are also a number of charitable organizations, churches and food pantries even that will help customers. So our C.S.R.'s have a long list and basically anybody that's you know impacted by financial difficulties, we give them every phone number on there. We try to find them a way to help, if we know that an organization is working with a customer, we'll delay the cut out for an extra

(4-b) 1st Quarter Balanced Scorecard and Enterprise Metrics – for December 2022 and 1st Quarter Reliability Performance Summary (cont.):

day or two to try to give them some time to work together and get vetted through the organization for assistance. We have seen a slight uptick since October of customers having a difficult time, but like I said we make every attempt that we can to help our customers before they're cut out and we have a very low cut out for non-payment rate. I do think our demographics help to some of that, you know we do have a lot of folks who have second homes here and are on auto-pay and stuff like that, so it does help to not have to fall into the collection cycle as often.

Mr. Bunch stated so you also track percent bills current, 30, 60, 90, 120 days past due, how's that trending overall.

Mrs. Wood stated it's going very well, our 0 to 30 day, it ranges between like 97.9% and all the way even up to 99% in some months. So right now I believe we're at 98% coming off the December holiday, which is typical because in the month of December we don't do collections as frequently because of Christmas and New Year holiday and stuff like that, so it will ramp back up as we pick up into the new year.

Commissioner Conrad stated and that's overall residential and commercial.

Mrs. Wood stated yes, that's correct.

Commissioner Kelly stated yes, I do want to say I commend you guys for as much modernization as is going on with the technology, you guys keep it very personal, I mean I hear that from other people.

Mrs. Wood stated thank you.

Commissioner Kelly continued, so I think that's a nice thing for the New Smyrna community as a whole because it is a little different than maybe some outlying areas, so I think that's a great job.

Mrs. Wood stated thank you very much, we do strive for that, we like to connect with our customers as much as possible.

Commissioner Kelly stated yes, I hear it.

Mrs. Wood stated anything else.

Chairman Davenport stated yes, Mrs. Wood I have been asked a couple of times in the last week about people with exceptionally high bills and I've been one in the past where my dock would be running, and I didn't know it and ya'll were great to work with. But each case, is it worked on an individual basis?

Mrs. Wood stated yes, anytime there's anything abnormal in billing, whether it be a leak, or you know excessive usage from any format, we do work with it individually, we work with

(4-b) 1st Quarter Balanced Scorecard and Enterprise Metrics – for December 2022 and 1st Quarter Reliability Performance Summary (cont.):

the customer. We do have a policy for adjustments so depending on the cause of the leak, whether or not it's been repaired, if the customer can produce you know proof that it was repaired, we work with customers as much as possible to reduce the amount of the bill.

Chairman Davenport stated that's what I thought, thank you.

Mrs. Wood stated no problem, good, okay.

Chairman Davenport stated I told them to reach out to you and send them their individual abatements.

Mrs. Wood stated we'll take care of whoever it is, and then added I'll turn this over to Joe (Grusauskas).

Chairman Davenport stated thank you.

Mr. Josef Grusauskas then came to the podium and stated good afternoon – Joe Grusauskas, Utilities, Water. So Danielle Wood bills and watches out our money, we produce the water and collect the wastewater. So we run a pretty tight ship, we've got a pretty good utility system out there, we do a lot of maintenance on it to keep it that way and because of that we work to a higher AWWA standard, that's basically the benchmarking for the different areas. So our Gross Water Loss, so to just kind of put this into perspective, we put about two, just under two billion gallons of water out there. And on our category, we are in the green, we lose less than 5% a year, so I mean that's pretty good. When you look at the different meters, you know the big, water comes in our first meter at the Water Plant, you have evaporation and it goes to residential meters, and we have 30,000 residential meters out there, so that difference is pretty small. And we've managed that, to try to keep it on the lower scale. It does bounce around because the billing cycle and our monthly plant reads are different, so some months depending on the rain, billings about a month behind where we are so you're going to see it go positive and negative every month. We kind of look at it on more of an annual basis than a monthly basis, but we're looking good. Water Main Breaks are based on 100 miles of system, we're looking good there. We did have one major water break in, I want to say it was in December, November, December-ish, it was a 12" inch, it took us a little bit to get it fixed, about four hours.

Commissioner Smith stated was that the Florida Avenue one?

Mr. Grusauskas stated no, the one I'm thinking of was the Dixie (U.S. 1). So let me backtrack a second, so a lot of our breaks we will work what we call "hot" (under pressure), we work them, so we don't turn off the water. The break is actually when we turn off the water to have to facilitate a repair. So we have reduced pressure on some maintenance items but as long as we're not completely turning off that main, it's not really considered a break.

Commissioner Smith reiterated, not considered a break.

(4-b) 1st Quarter Balanced Scorecard and Enterprise Metrics – for December 2022 and 1st Quarter Reliability Performance Summary (cont.):

Mr. Grusauskas continued and stated under these criteria.

Mr. Bunch stated so do you also, in this metric, only count certain sized pipe breaks or is it all pipes.

Mr. Grusauskas stated it would be a main, it would not be a residential connection. It would be, basically it's a service pipe, you know serving more than one unit or commercial.

Commissioner Smith stated yes, I think this was a 12, I believe it was a 12 inch.

Mr. Grusauskas stated yes. So let's see, wastewater we've been very lucky, we haven't had any yet but that's going to change, we did have one in January, it's going to change that matrix next time. But again, we're looking good on all of those, and we should if things go well, we should all be green by the end of the year. With that, do you have any questions.

Commissioner Smith stated just a comment, Thanksgiving Day, that main on Florida broke and the crew was out there on top of it and so I took them Thanksgiving dinner. I feel they were doing a great job.

Mr. Grusauskas stated I'm pretty sure that one they worked hot, I can't remember, and that's going back a couple of months now but I'm pretty sure that's one of the ones they worked hot, and I believe that was an 8-inch water main.

Commissioner Smith stated we never lost water.

Mr. Grusauskas stated yes, so they worked it hot. Again a lot of times some older pipe gets a little fragile, we put a band on it and then we repair it up and we can do that in the wet more or less and keeping the pressure on for the residents.

Commissioner Smith stated they did a great job, and I was impressed.

Mr. Grusauskas stated we try hard; our staff prides themselves in working hard to keep that water pressure up. So we're lucky, the one thing about our water system it's fairly shallow, it lets us do some repairs without turning it off, whereas the sewer system's a little deeper sometimes and it's harder to do that. But because its lift stations, we can run pumper trucks from a lift station.

Commissioner Smith stated right.

Mr. Grusauskas continued, and to the resident it's pretty much uninterrupted services, and we do our best to keep it that way.

Chairman Davenport stated I don't think the residents know how lucky they are. Somebody came up to me again the other day and said my water bill in the little town south of us,

(4-b) 1st Quarter Balanced Scorecard and Enterprise Metrics – for December 2022 and 1st Quarter Reliability Performance Summary (cont.):

Edgewater, is more than my whole utilities bill combined with everything. They said it's just out of control down there.

Mr. Grusauskas said well part of it is infrastructure.

Chairman Davenport added water rates.

Mr. Grusauskas stated yes.

Commissioner Smith stated what is the per capita consumption on water in New Smyrna.

Mr. Grusauskas stated I believe we're under 90, I'd have to double check, I saw the number, I want to say it's like 88 but don't quote me on that, I'm talking off the top of my head here. It's lower than the St. John's recommended.

Commissioner Smith stated excellent.

Mr. Grusauskas stated and that's partly because we have reclaimed water.

Mr. Bunch stated yes, I don't remember the exact number either but since 2000 that number's gone down by about 25% at the per meter level. So a lot of it has to do with construction standards, the showerheads, faucets that are conserving compared to what the use is too, but then also those 3,000 or so reclaimed water customers that aren't using potable water to water lawns is a huge saving factor as well.

Mr. Grusauskas stated yes, I'll agree with that, definitely the new appliances the low water appliances, showerheads and everything, just like LED lights have lowered electricity you know usage down, those have in general houses. You have big mansions now and they're only using 3,000 or 4,000 gallons of water where historically they were like 12,000 gallons of water a month.

Chairman Davenport commented wow, that's good, thank you.

Mr. Bunch stated thank you to Mr. Grusauskas.

Mr. Grusauskas then stated and Julie (Couillard).

Mr. Bunch stated so as Julie Couillard is coming up, I'm just going to preface, we committed to doing a, in addition to the Quarterly Metrics Update, this is a semi-annual review of the Electric Reliability Programs, so she's going to knock out two birds with one stone and reduce a separate presentation. A few slides longer than the prior ones.

Ms. Couillard stated yes.

Mr. Bunch stated thank you Ms. Couillard.

(4-b) 1st Quarter Balanced Scorecard and Enterprise Metrics – for December 2022 and 1st Quarter Reliability Performance Summary (cont.):

Ms. Couillard stated sure, so just as a quick reminder of our reliability history and our goals of less than 55 minutes. So in 2021 we started our ERIP program, we finished 2022 and I'm reporting on the first quarter for 2023. Then went to the next slide and stated so I am happy to report that for our SAIFI and SAIDI numbers, this is our 1st quarter on record that we beat all our numbers, best ever, I'm really, really proud.

Chairman Davenport stated that's great.

Commissioner Kelly stated yes, congrats.

Ms. Couillard continued, and by doing that we're seeing the benefits of the ERIP program and also the preventative maintenance programs that we've been working with T&D to implement like vegetation management, substandard pole replacements, etc. So year one quarter for frequency was 0.1, that's huge, that's like basically zero in my mind. SAIDI is 9.72 and CAIDI did go up. So I'm going to do individual slides for each of these metrics and we'll talk about those and why CAIDI went up and it's not a surprise that it did.

Ms. Couillard went to the next slide and stated, SAIFI is the number of outages per customer, it's an annualized average number. For 2024 our year-end target is 1.0, our numbers so far are 75% below what we forecasted using the last three years annual averages. So you can see here, in 2023 the actuals, it's the dark black line, that's where we're at. 2022 is the solid red line and 2021 is the solid blue line. So we're significantly lower than we were the last two years. Part of that is with the equipment outages and installation of the TripSavers and Reclosers, when we do have an outage there's less customers impacted, so less customers are seeing an outage. In addition to that all the vegetation trimming we've been doing, and the pole replacements and all those other programs, you're actually seeing the results of those programs now.

Ms. Couillard went to the next slide and stated SAIDI is the overall customer experience indicator, so it's the frequency times how many minutes am I seeing, and this is page 11. So SAIDI is 60% below year-to-date forecast based on our last three years as well. You can see that on the screen, we used the same colors, so this year's the dark black line, 2022 actuals is red, and blue is 2021. And so having both of those lower has been a really good improvement.

Ms. Couillard then went to page 12 and stated CAIDI went up and generally you will see this as SAIFI numbers improve, what you end up finding is the bigger things that need to be repaired. So you're not having a tree hitting a limb, tripping a fuse, those are going away because of the TripSavers and the Reclosers. So now you're finding wire down or a broken pole or transformer blew up and you have to get a new one out there and replace it. Those types of projects take longer to repair, so you'll see this number will trend up for a while, but we still are targeting to trend it down over time. Lastly, we also had a nightshift staffing, our night shift guy retired and so they are working on re-staffing that, so that will reduce the CAIDI response time as well because we don't need to call somebody out every time there's an outage. So they're working on that, that should be resolved in the next few weeks or so.

(4-b) 1st Quarter Balanced Scorecard and Enterprise Metrics – for December 2022 and 1st Quarter Reliability Performance Summary (cont.):

And then lastly, I'd like to point out that even though our CAIDI numbers went up, we are still significantly lower than the industry standard. So the industry standard is around 118 to 120, and we're in the 50 range, we're doing pretty good.

Ms. Couillard went to the next slide and stated so we're continuing on with our Reliability programs, we have our ERIP, phases 1 and 2. We have a number of line upgrade programs, you'll probably see on Pioneer Trail we reconductored a big section of one of our lines. We have another section on the other side of I-95 that we're starting. We have some other ones that we have in the plans. And then we're continuing on with our preventative maintenance programs. So on the next page (14), just so you know that I really am doing this, I have a schedule. This is a little schedule of the programs we have for this year, not including some of the bigger projects. So you can see that we have plans for the whole year and on the next page is the update on the ERIP status, which is one of the biggest projects we've been having in the plans and working on the last two years. So on page 15, Phase I we actually completed, we installed 18 Reclosers and 179 TripSavers. And then Phase II is targeted for completion in March of 2023 before storm season. We received all the Reclosers, they're being programmed and installed and then we just received the last 44 TripSavers and those will be programmed and installed as well.

Commissioner Conrad stated so what's remaining, is there a Phase III that's going to, we're going to hear about.

Ms. Couillard stated so we are reviewing that now, there will be a Phase III. We are working on our Relay Settings and our Protection Settings to make sure that we can put them in the right locations. We're also looking at things like feeder ties so we can switch between feeders if we need to. So those are a little bit bigger and more complex projects than the Reclosers and TripSavers but they're coming.

Commissioner Conrad stated thank you.

Ms. Couillard stated you're welcome, and then continued to page 16, a quick update on our Preventative Maintenance Programs. We are a third completed with our vegetation management program already this year. We are developing a more formalized Substation and Relay Maintenance Program that we can track and report on like we do with the poles and the trimming. We have 22 out of 88 poles already replaced for the substandard pole replacements, sometimes people call that Osmose replacements. We're 65% completed with the old distribution static removal. Last year, I'm sure you'll remember, there were a couple of times it fell into a feeder and tripped the feeders; we're pulling those down. And we finished the Airport Static Wire Replacement Program a couple of weeks ago – yes. So we're able to get the outages and get those replaced, so that's a positive too.

Ms. Couillard went to the next page (17) and stated so just quickly we're realizing the Reliability Improvements and we feel confident that we're going to meet our 2024 targets. Our results are SAIFI is 0.10 for the 1st quarter, 9.72 for SAIDI, and 89.77 for CAIDI, and again, best quarter on record. And lastly, we believe all of this work also greatly reduced the

(4-b) 1st Quarter Balanced Scorecard and Enterprise Metrics – for December 2022 and 1st Quarter Reliability Performance Summary (cont.):

impacts to us from Hurricane Ian and Nicole. We did not have as many pole damages, not as much wire down as we would have had in the past, and we're working to make that even better as we go forward. Any questions.

Commissioner Conrad commented no, I interrupted you enough.

Ms. Couillard stated any time.

Mr. Bunch stated Commissioner Smith's got a question Ms. Couillard.

Ms. Couillard stated yes.

Commissioner Smith stated I feel like Don Quixote on this issue of underground power, but I'm going to keep working at it. Because I was over, I spent the last week in southwest Florida with FEMA, evaluating what Code changes has shown reduced damages to residences. Totally unrelated to that, while I was there on the T.V. there was an announcement about Florida Power and Light, that if the communities that are in flood zones can have their power put underground for free. And they said that by power going underground they're five times more likely not to lose power in a storm event. Are you familiar with that program that they're...

Mr. Bunch stated I'll comment on that, so FPL started a pilot about two years ago and they're undergrounding in some targeted communities, but when you say free that's part of a rate case agreement. They budgeted originally somewhere around \$800,000 a mile; the average costs are coming in far north of that. And the difference between FPL and us, and I worked prior to coming here with Exelon Utilities, the nation's largest utility, 10 million customers, six utility regulatory districts, they're getting rate case treatment for that. So it means they're getting 10% return on that investment and so to Commissioner Conrad's earlier question, will there be Phase III. We will come back and say okay, we've improved reliability, are there areas of our territory we would consider selective undergrounding and then we would talk about the potential costs. But I mentioned that \$800,000 budget, we have 320, 300 plus miles of distribution system and if we undergrounded it at that \$1 million plus per mile, we would have to go out and borrow \$300 million, maybe \$400 million to do that. And in our case, that's triple the value of our current electric system, so do the numbers, what would happen to our rates. I think we need to be a little more prudent about that than FPL has because again in our case we're not getting a 10% return on an investment, our customers in the community are paying our bond rate on the borrowing side of that equation which now is probably like a 5% borrowing factor. So I think we will consider those areas but we're going to be a little more judicial than FPL is just because there's a financial incentive for them to do it and in our case, it's got to be where does it make sense for our community.

Commissioner Smith stated how does the underground services, well how's the reliability been on the underground service in Venezia.

(4-b) 1st Quarter Balanced Scorecard and Enterprise Metrics – for December 2022 and 1st Quarter Reliability Performance Summary (cont.):

Mr. Bunch stated so not an apples-to-apples comparison, until just recently a lot of the western portion of Venetian Bay which is overhead was also connected to them, and there's still the Feeder 32 Upgrade which won't be finished for another year until they're segregated. But so I worked in Maryland before here, they started undergrounding all new subdivisions in 1968, so they're at this point 53 or so years into having underground. What that turns into down the road is very expensive maintenance and replacement because as you build underground it's much more costly to do the replacements than the initial installations; so it's a double-edged sword. You see near term benefits and you see less impacts of hurricanes and storms but then you get into when a fault occurs underground, locating those faults can be pretty lengthy. In fact in Hurricane Ian the injury we had was, occurred about three days into the crew actually working in that community, trying to troubleshoot problems. So the outages can be longer, and the repairs can be more complex because you can see the overhead system and it's easier to locate. With that said I'm a big advocate for undergrounding, I think for our community it just needs to be where does it make sense and have your support and that of the community before we like FPL say we're going to spend several hundred million dollars to do that because our economic situation with the community is different than with FPL. Where I see they do have an obligation to the consumer, they also have that shareholder and they're getting 10% return on that investment, so they have different financial motivations than we do.

Commissioner Smith stated what was the connection between their requirement that it had to be in a flood plain.

Mr. Bunch stated so I'm not familiar with that one specifically, but they may be just focusing on the coastal areas. And I would say when we look at selective undergrounding, there's, we would probably go in that direction first because those are the areas where the salt corrosion hits us heaviest, and we've got a couple feeders over there that the performance hasn't been say up to snuff with the rest of the territory.

Ms. Couillard stated I would like to say too that we are applying for grants for things such as that and other programs that we are looking at, at the Federal level and we're still waiting to hear back on how the State's going to do the infrastructure funding, but I did put that along with a number of other things we're looking at as potential spends, selective undergrounding. So, we're trying to get funding where we can but it's not easy at all.

Mr. Bunch interjected and the other thing I would note is in the communities, even with the municipalities that are entering on some of these programs they have rates that are quite a bit higher than ours.

Ms. Couillard stated yes.

Mr. Bunch continued, we've been on the lower end of the state and for our 900 kWh comparison, let's say a \$115 to \$120 bill, some of those areas are \$160 to \$170, Florida Keys \$210. So there's the, how much do we want to spend, what's right for the community and what's the appetite to spend that money.

(4-b) 1st Quarter Balanced Scorecard and Enterprise Metrics – for December 2022 and 1st Quarter Reliability Performance Summary (cont.):

Commissioner Smith stated well in Venezia, you actually made an assessment, a property assessment for that, I mean that's one way of funding that right?

Mr. Bunch stated we've never done a like an area assessment for reliability improvements, those get embedded in the bill, gets paid by all customers, so we've never done a...

Commissioner Smith stated well I beg to differ on that because I got a, just before we moved out of Venezia, of course that was one of the things we were looking forward to, was underground power. They came up and said it was going to be like, if I can remember the number , \$3,500 for your share as a property owner to get underground, but that wasn't the case?

Mr. Cloud stated no, not even close.

Ms. Couillard stated that wouldn't have been us.

Mr. Cloud stated I handled the case that got the poles and wires bought by Winter Park and their whole plan was to underground. They had a financial plan put in place, but the costs are still significant and so in communities like that where you buy and you do it in a phased approach, you know it's now been seventeen years since they acquired, and they did it a little bit at a time because of course most of Winter Park was developed before you had the requirement for undergrounding. But if you go and look at the other programs like TECO and Duke and NextEra which is FPL, Gulf Power, the prices are coming in way higher. Not only because of materials but because of the labor costs. And Mr. Bunch is absolutely right if you tried to do an overall undergrounding program in this community, you'd blow our rates up. Doesn't mean that we shouldn't look at and plan for some kind of a program for undergrounding, but a lot of thought needs to be given to how it gets rolled out, as well as the public acceptance of what those costs are going to be.

Commissioner Hawes stated Mr. Bunch just, aren't our revenues roughly \$75 million.

Mr. Bunch stated that's about the budget, yes.

Commissioner Hawes stated so if we think, pick a number \$300 million, \$400 million, we're talking about...

Commissioner Kelly stated three times, four times.

Commissioner Hawes continued, just a massive change and I recognize we'd put that over time and all that, but it would just...

Mr. Bunch stated it would be a pretty big increase to the rates, but again it's not that we wouldn't recommend it for some areas but we're going to do it where it makes sense. And I mentioned my prior company, one of their four companies, Commonwealth Edison had for the last three years the best reliability in the nation for the large utilities. That is the approach

(4-b) 1st Quarter Balanced Scorecard and Enterprise Metrics – for December 2022 and 1st Quarter Reliability Performance Summary (cont.):

we used, we did overhead improvements and then looked at selective undergrounding where it makes sense. And you can have reliability and reasonable rates but when you give somebody carte blanche to go out and underground the whole territory and it benefits them financially they'll do it all day long. I think as we approach that for our community, we just need to be a little more selective in where we do it and why and recognize eyes wide open what potential increase for rates would be.

Commissioner Smith stated what were the factors in Venezia that made it feasible.

Mr. Bunch stated so any new development today goes in underground.

Commissioner Smith stated no, Venezia's not a new development.

Mr. Bunch stated you're talking about Venetian Bay?

Commissioner Smith stated no, I'm talking about Venezia.

Commissioner Conrad stated Quay Assisi.

Commissioner Smith reiterated Quay Assisi.

Ms. Couillard stated oh.

Commissioner Kelly stated thought you were talking about Venetian Bay.

Mr. Bunch stated to that I can't speak to, now if it was undergrounded.

Commissioner Conrad stated it was in the beginning.

Mr. Bunch stated if it was undergrounded at some point along the way, that \$3,500 per lot would have just been the cost to do the project divided by the number of lots. So I wasn't aware of that, but that's typically the way you would approach a community doing an undergrounding project.

Commissioner Smith stated yes, when you started talking about Venetian Bay, I went no it's Venezia.

Commissioner Kelly stated I thought you were talking about Venetian Bay, yes.

Mr. Bunch stated I apologize.

Ms. Couillard stated I was way west of there.

Chairman Davenport stated okay.

(4-b) 1st Quarter Balanced Scorecard and Enterprise Metrics – for December 2022 and 1st Quarter Reliability Performance Summary (cont.):

Commissioner Conrad stated I have one more question before we go away from this and this is kind of off the wall, but you mentioned grant. What's the status of the Washington Street Project?

Ms. Couillard stated so last I heard we're moving forward.

Commissioner Conrad stated okay.

Ms. Couillard stated so we're at, for our stuff we're at 60% design. We need to get with the City because we require easements to go underground and then they're going to pay the differential. But the last we heard its still moving forward, we're sort of riding the train on that one.

Commissioner Conrad stated I know I hadn't heard anything for a while, I thank you for giving me a lead in.

Ms. Couillard stated I think some stuff, you know with the hurricanes and the flood study and all that, that slowed down a little bit, but we're told that its still on the list and we're going forward.

Commissioner Smith commented sure going to miss those power poles on Washington.

Ms. Couillard stated me too, especially the one that everybody hits every time.

Chairman Davenport commented I'm sure you are, okay, moving along.

Ms. Couillard stated and I'm going to turn it over to Mr. Bunch.

Mr. Bunch stated thanks to Ms. Couillard and stated so just quick closing comments. Overall business doing very well in the first quarter. We started off, the hurricane a safety-related incident but that's trending positively, as well as a big reduction in vehicle accidents. One area that I'll say in our business that does exceptionally well, and Danielle Wood covered it, our Customer Metrics. If you go anywhere that looks like a City, those numbers would be, people would drool over them. Your percent of uncollectible revenue, the meter reading metrics, the calls abandoned, those folks do a fantastic job. So Commissioner Conrad to your point there's a lot of personal touch with the community for those folks and even to the extent of calling folks on the day of disconnects to make sure one last attempt to get them to pay the bill. And I occasionally stumble through the area as those calls are being made, they do a great job. And as Ms. Couillard and Mr. Grusauskas both mentioned, both water and electric businesses had a good first quarter start and electric reliability's best quarter on record, so a lot of good stuff going on. Any questions?

Chairman Davenport stated Commissioner Hawes?

(4-b) 1st Quarter Balanced Scorecard and Enterprise Metrics – for December 2022 and 1st Quarter Reliability Performance Summary (cont.):

Commissioner Hawes stated yes, just kind of a two-step back look at this and I just want to compliment you (Mr. Bunch), as well as the rest of your team. Thank you for doing this. You know we talked about plans and strategies and all of these things, and financials and all of this, and I have to say, and I think its just so important to go through this today because choosing these key performance indicators is not an easy job and then getting the information to actually measure them is not always an easy job either. And so what I really distinctly like about this is this is a very much hands-on from my standpoint. If I kind of, like I said two-step back look at this, is it's a communications tool not just to us but to your team as well. It puts everybody in the same page and same direction going forward. It also is, it's a quality measure as well, it tells us how we're doing, are we hitting our marks and helping our customers, or we're not, and it ties into everything else that we're doing so well. I just have to tell you I think it's just a really important piece that you're doing and thank you for that.

Chairman Davenport added good job.

Mr. Bunch stated thank you, we appreciate that feedback.

(4-c) Requested Update (Verbal Rpt.) – Transformer Outage at Springhill Suites by Marriott (512 Flagler Ave.) and FMEA 2022 Restoring Communities Award to NSBU:

Mr. Bunch then stated if there's no other questions I'll move it along. So we had a question at last month's meeting about an outage over in the Flagler Avenue area and I'm going to ask Vernon Steele to come up and talk a little bit about that.

Mr. Steele came to the podium and stated so at the December meeting, I think it was you Commissioner Smith, asked about the outage at the Springhill Suites there on Flagler Avenue. And the root cause was a bird made contact on the overhead pole that feeds kind of that corner of Flagler Avenue and Atlantic, you know the hotel and seven other businesses that were affected. So a bird made contact with the wires which blew the fuse feeding the underground to those businesses. And it was out for approximately ten minutes and then at the time of the incident, we restored it, added some insulated wire on that pole to help prevent future occurrences. And then moving forward we're going to add some bird discouragers onto that pole and some others in the area to kind of prevent that perching and you know cause bird outages in the future. So it was a bird, made contact, hit us in a bad spot, but we went back with some insulated wire that should take care of the situation.

Commissioner Smith stated thank you.

Mr. Steele stated and while I'm here, I'd like to report that for 2022 we received the FMEA Restoring Communities Award. That award is for utilities that either helped or received help you know to restore communities after hurricanes. So we received the award this year, I think this is like the fifth year in a row that we received it. So that's basically saying that we appreciate your help when we go help other utilities but it's also, we received the help. It just shows how critical the Mutual Assistance Program is, especially to municipals, it's critical to restoring after storms. And it's just how big this was, Ian and Nicole, 175 companies from 23

(4-c) Requested Update (Verbal Rpt.) – Transformer Outage at Springhill Suites by Marriott (512 Flagler Ave.) and FMEA 2022 Restoring Communities Award to NSBU (cont.):

states helped restore during Ian and Nicole. So it was a huge effort and that's just our municipal partners all over the country helping us out. Any questions for me?

Mr. Bunch and Commissioner Kelly stated thank you to Mr. Steele.

Chairman Davenport also added thank you.

ADD-ON (4-d) Informational Update on E.V. Charging:

Mr. Bunch then stated and next, John McMurray, will give us a little quick update on our electric vehicle charging in the community.

Chairman Davenport stated is that item d. that you added.

Mr. Bunch stated yes sir, item 4-d., thank you.

Mr. McMurray came to the podium and stated good afternoon. We're moving ahead with electric vehicle public charging stations in New Smyrna Beach and it's my pleasure to provide you with a brief overview. There's only one public charging station as of last week in New Smyrna Beach, it's over at the Publix, but things changed last week. So we installed one at Advent Health Hospital and its energized, its live, but we haven't had the official ribbon cutting. So on the slide, these are the locations on the first slide, of the five charging stations that we're going to be installing, first one is installed and then the remainder. Each one of these stations has a dual port charger which means two cables, so five charging stations, ten vehicles can charge at one time.

Mr. McMurray went to the next slide and stated this is what it looks like, this is over at Advent Health. On the left slide is the charger that's been installed, and I actually used my electric vehicle and charged, and it works, and it works really good. The middle picture's just showing you the statistics and we have a dashboard with the analytics and such from each of the chargers that's going to be installed. This is the first of five like I said, it looks like three customers or three different purchases were made on it. And the right one is just a snapshot from my phone showing my consumption which is kind of neat with the app. So, we're on our way, we're moving ahead.

Mr. McMurray went to the next slide and stated so this is location number two at the Live Oak Center. On the left side its just showing the agreed upon location of the proposed charger with the City of New Smyrna Beach that we worked with and on the right side is just the early version of where we are with the charger. We installed the trench and put in, Vernon Steele's group and Joe Grusauskas' group, has put in the conduit and also the electrician's come in and done his work partially. We're going to be pulling cable and installing the charger. This one should be done at the end of this week and then just have to commission it with Shell who's our provider.

ADD-ON (4-d) Informational Update on E.V. Charging (cont.):

Mr. McMurray went to the next slide and stated this is the next one that's right in line with number two, this is number three at the Coronado Center, it's close to the shuffleboard courts. I really didn't think there's going to be too many Tesla's over at the shuffleboard courts, different demographics, but I was wrong, actually saw a Tesla when they pulled up there, last time. So I think the nightlife is there, people are going out to the restaurants and there's a gradual increase in ownership of electric vehicles and we're starting to see it slope upward. And this is the next one that we're going to, probably done with our construction work by the end of this week, and ready to commission. I'll schedule that as soon as everything's installed at the end of this week or thereabouts.

Mr. McMurray then stated number four, went to the next slide and stated so this is just this morning, I took a picture of the guys on the right. On the left is what we worked with on the location with the City of New Smyrna Beach, and saying, they said this is where we want it. The guys on the right, first thing this morning, early this morning they got the materials there and they were getting ready to start digging. This one will be done, and the concrete will be formed and hardened probably by the end of this week and the electrician will start on his work late this week, early next week, and we'll be ready to commission this one also maybe a few days to a week behind.

Mr. McMurray then stated and the last one, went to the next slide and stated and this one is over at Faulkner Street. The City's going to be paving this parking lot so we could wait but they said about six months ago they were going to be doing it now, so there's been a little bit of a delay. And what we're doing instead is I've got the plans from the City along with their Engineer and we have elevations mapped out. And we're going to be looking to go ahead and install the charger at the right elevation, we're going to need some grade stakes and such, so this one's not too far behind. We're hoping, if all goes well, by February 14th, Valentine's Day, we'll have all these installed, commissioned, up and running if all goes well. Then concluded by stating, and I think that is it.

Chairman Davenport stated good job Mr. McMurray.

Commissioner Conrad stated Mr. McMurray, for instance this last one on Faulkner, that's City owned property, is the public able to use it?

Mr. McMurray stated yes, the public will be able to use all of these. The hospital, we're still working through the logistics of how it gets charged and such, but there's been three public transactions at the hospital one. But the rest of them clearly its all 100% public use, the hospital is talking to us about potentially participating in paying for some aspect of it. So that being said is the other four will be in service and they'll be 100% public use.

Mr. Bunch stated will they show up on the maps of these.

Mr. McMurray stated yes, Google Maps and ChargePoint I think it is, there are a few different websites you can look at. It gives you a location, even Shell Recharge has their own website that you can look and if you're driving down the road you can say where do I need to go if I'm charging an electric vehicle. It's coming.

ADD-ON (4-d) Informational Update on E.V. Charging (cont.):

Commissioner Conrad stated thank you.

Mr. McMurray added, we're trying to stay out ahead of it, we know it's coming.

Commissioner Kelly concurred, they're coming Mr. McMurray, they're coming.

Mr. McMurray stated they are.

Chairman Davenport stated so each one of them Mr. McMurray, did I hear you, each one of them will charge up to ten cars?

Mr. McMurray stated no, each one will charge two vehicles at a time, but we have five locations, each one of them have an ability to charge two vehicles.

Chairman Davenport stated okay, I've got you.

Mr. McMurray continued, so ten chargers, once everything is up, installed and running we'll be able to handle it.

Commissioner Conrad stated total of ten.

Mr. McMurray confirmed ten.

Chairman Davenport stated and you pay for this.

Mr. McMurray stated yes, you pay for this.

Chairman Davenport stated do we have, got credit cards.

Commissioner Kelly stated yes.

Mr. McMurray stated there are multiple ways to pay, Shell makes it easy for you to pay, and we make it easy for you to pay us.

Chairman Davenport jokingly commented are we taking bitcoin yet; I just had to say that.

Mr. McMurray stated I don't think so.

Commissioner Smith stated stop it.

Mr. McMurray added time out, we've got more things to do, sorry.

Chairman Davenport added, just having fun.

Commissioner Smith asked Mr. McMurray if this shows up on a GPS.

ADD-ON (4-d) Informational Update on E.V. Charging (cont.):

Mr. McMurray stated we have geospatial locations down to, I think its sub-meter accuracy on this, so it will show up on the websites, it will be on Google Maps. It will be like I said on the other E.V. Connect sites, so you'll be able to see it. Like right now I can look around town I can see the Publix one, that's the only one I can see that is actually public, the other ones are private.

Commissioner Smith stated so it is on Google Maps. I said if I was to pull my Garmin up one more time, he was going to leave home so, I still use Garmin.

Chairman Davenport stated there you go, okay, Mr. McMurray thank you. Mr. Bunch anything else.

Mr. Bunch stated that's it for the General Manager's Report Chairman.

Chairman Davenport stated thank you sir.

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

Chairman Davenport then stated okay, moving on to item number 5. Commission Counsel's Report.

(5-a) Scheduling Request – Special NSBU Meeting for GM-CEO Merit Reward Determination – FY2022 Performance:

Mr. Cloud stated just one item, very quickly, under Mr. Bunch's contract, there's an annual review. And so under that contract I'm asking for a motion to approve the scheduling of a Special Meeting right before next month's meeting at 2:30 pm for a merit reward determination by the Commission for the General Manager/CEO fiscal year 2022 performance in accordance with his contract, and I just need a motion to that effect.

Commissioner Smith stated so moved; specifically a motion to approve the scheduling of a Special NSBU Meeting on February 27, 2023 at 2:30 pm, for a merit reward determination by the Commission for the General Manager/CEO's FY2022 Performance, in accordance with NSBU employment contract dated 8-22-22.

Commissioner Kelly seconded this motion.

Chairman Davenport stated any discussion anybody. Okay, if not, Mrs. Simmons if you'll call the roll please.

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

Chairman Davenport stated so that will be at 2:30 p.m. on February 27th.

Mr. Cloud stated that's correct.

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

Chairman Davenport stated we'll review, then get something prior to in an email to do it now.

Mr. Cloud stated yes.

Chairman Davenport stated okay, thank you.

(6) Old Business:

Chairman Davenport stated all right, moving on, item number six, any Old Business, Commissioners. Commissioner Smith?

Commissioner Smith stated no sir.

Chairman Davenport also confirmed with Commissioner Kelly, no old business.

Commissioner Kelly stated no sir.

(7) New Business:

Chairman Davenport stated if no Old Business, then item number 7., New Business, and then read the title of agenda item 7-a.

(7-a) Ratification – Cooperative Purchasing Agreement for UKG's Human Resources Information System (HRIS) – (U.S. Communities Government Purchasing Alliance Master Agreement Ref. No. 18221):

Ms. Carrizales came to the podium and stated good afternoon again, Heather Carrizales, Senior Manager of Support Services.

Chairman Davenport stated okay, thank you.

Ms. Carrizales stated I am really excited to be here to present this to you this afternoon. I think it really dovetails nicely with all of our outward facing modernization efforts. You've heard Julie Couillard talk earlier about improving electric reliability, I think it's time for us to look inward and how we can effectively manage our Human Resources, our employees. I think it's important to note this process was actually started back in 2018. A full-blown RFP was done to review HRIS systems, at that time the decision was made to put it on hold. I don't think we had the right people in the right places moving in the right direction on the right page at that time, so staff made a conscious effort to pause until it was the right time, which I think is now. So we've got a presentation for you, I do want to talk just a little bit about how we currently do business internally for our employees and you know potential employees here, so it starts with recruitment right and what does that look like. And right now the way a potential employee would apply is they send us our resume and we collect them in a shared drive, and we email them out to a potential hiring manager to look at and review and they email us back. And there's some back and forth on that, all a very manual process. Same thing with our onboarding, we spend day one of a new employee going through papers, sign here, sign

(7-a) Ratification – Cooperative Purchasing Agreement for UKG’s Human Resources Information System (HRIS) – (U.S. Communities Government Purchasing Alliance Master Agreement Ref. No. 18221) (cont.):

there, you fill out a direct deposit form, you fill out your W-4, you fill out your I-9. They think they’re buying a house they sign so many papers, again, all very paper based, very manual.

Ms. Carrizales continued, Time and Absence, employees are currently manually filling out time sheets, somebody has to enter in those times sheets, there’s a lot of data entry which leaves room for error, its very time consuming. Payroll again, all manual, data entry, leaves room for human error, again time consuming. Human capital management overall employees, anytime somebody gets promoted, they transfer, its paper based, we use DocuSign but there’s some workflow there but ultimately we end up printing out a piece of paper and putting it in a file. Performance appraisals, again manual, do them on an Excel spreadsheet, we end up printing them out, somebody manually signs them, there’s no real reporting capabilities on that. Training management, we don’t have a great training system to record or report all of the trainings that our employees are doing currently. Benefits enrollment, employees do not have a way to see what benefits they currently have, they can’t see which health insurance plan they’re enrolled in. They can’t see which of their children they have on their dental insurance plan. Anytime they want to make a change they’ve got to fill out a piece of paper. And then when an employee does separate service, whether they retire or resign, again its just a very manual process. So we think bringing in an HRIS system can vastly improve all of these.

Ms. Carrizales continued, so on the next slide you’ll see the benefits of an HRIS system. Recruitment can be a dashboard, your hiring manager can access applications anytime of day. If they want to look at them at 7:00 on a Thursday evening they can, if they want to look at them at 2:00 am on a Sunday morning when they can’t sleep, they can. They’ll have access to those at any time which will greatly improve the hiring time, the speed it takes to bring an employee on board because we can move through the recruitment process faster when we have a recruitment system. The Onboarding process can also be expedited when an employee can fill out the direct deposit form at home. They can have their wife help them which is usually what they need. They can fill out their W-4, their I-9. They can review all that before they get here on their first day and we can make their first day more impactful. We can introduce them to our culture here at NSBU, we can do safety training with them, we can get them face time with the I.T. Department to make sure they understand their equipment. So we can make day one much more impactful if they’re not filling out those standard forms, they can do that anytime from a smart phone, at their home, before they come in on day one.

Ms. Carrizales continued, Time and Absence, employees will check in and check out, it will reduce the number of errors that we have on our time sheets, it will increase our reporting capabilities there. We’ll be able to manage our employees better. If we have somebody who consistently comes in a few minutes late or maybe leaves a few minutes early, we’ll be able to accurately count that. Absence, right now if you want to take a day off you fill out a form, paper form, and you give it to your Manager who then signs it. Maybe they give it to the Director who then signs it, who then turns it into payroll. So Managers will have calendars, they’ll be able to see at a glance who’s off on what given day. If they need to decline a day off because you already have too many people off, you’ll be able to see that at a glance. Payroll

(7-a) Ratification – Cooperative Purchasing Agreement for UKG’s Human Resources Information System (HRIS) – (U.S. Communities Government Purchasing Alliance Master Agreement Ref. No. 18221) (cont.):

again will be automated through the Time and Absence process, again reducing errors, it will speed up that process which will help the Finance Department wrap that process up quicker. Employees and Managers will have their own dashboards, so again I can see my pay stub anytime I want, maybe I’m getting, applying for a mortgage and I need to get my last four pay stubs. Currently we hand out paper pay slips and if you throw it away you have to come back to H.R. and ask for another one and we print it out for you and give it to you. You’ll be able to access past pay stubs, you’ll be able to access your W-2 as an employee at any given time. So its really going to increase the visibility the employees have into their employment here at NSBU.

Ms. Carrizales continued, Performance Appraisals again will be automated through a system, there’s ways that you can solicit feedback from that employee’s peers or your peers that maybe have dealings with that employee. There’ll be workflow, they’ll be review processes in there, and again employees will see past reviews if they need it. They’ll be able to pull a past review if they want to apply for an internal position, to say hey, here’s my past three performance appraisals that I’ve all been rated very highly, please consider me for this promotional opportunity. Or if a Manager needs to look at past performance appraisals, they’ll be able to look back at those at any given time. Training Management will have a centralized management system to track all of training, safety training, compliance training, skills training, whatever that happens to be we’ll be able to report on it by employee, by training course, slice and dice that any way we need to. Benefits enrollment employees will be able to see at any given time what benefit plans they’re enrolled in, what dependents they have covered, do they have their beneficiary updated. Maybe they got divorced and want to take the ex-wife off as the beneficiary and put the new wife on, they’ll be able to see that at a glance to know that they need to update that information. And then of course, Separations, employees will be able to see when their final pay is going to be, what that payout looks like, any final documentation can be expedited as well.

Ms. Carrizales continued and stated so in addition to those things on the next slide you’ll see some other return on investment benefits. Again my staff currently in H.R., I have one employee that is H.R. certified and the other is working on getting her payroll certification, and the bulk of their time right now is data entry. They are sharp employees that are capable of much more, bringing a much higher-level strategic H.R. value to this organization. So their roles will just change from what they do now and I’m excited for that. So accountability among managers and employees, right now everybody is writing 8:00 to 5:00, 8:00 to 5:00 and maybe its not quite 8:00 to 5:00. So we’ll be able to make sure that employees are accountable for being here on time, working their entire shift. Managers will have to approve that, employees will have to approve their time, and all of that’s going to have an audit trail that goes with it. I think the thing that I’m most excited about is the reporting capabilities of an HRIS system, particularly when it comes to FEMA and what they ask for. In any given year FEMA can ask for something different and you don’t know what format they’re going to ask for, right now it’s very labor intensive. You mentioned earlier you know these metrics we report on it’s not always easy to gather that data, having it all consolidated into one system that has highly functional reporting capabilities will make it easier to pull whatever data FEMA

(7-a) Ratification – Cooperative Purchasing Agreement for UKG’s Human Resources Information System (HRIS) – (U.S. Communities Government Purchasing Alliance Master Agreement Ref. No. 18221) (cont.):

needs in any format that they need, rather than have to manually gather that. But lots of other compliance things that we’re responsible for reporting for, other post-employment benefits is one that comes to mind that we’ll be able to easily capture that data with a few clicks and pull that information. So I’m really excited about reporting capabilities. And then again just the overall reduction of paper, with that comes reduction of staples, and paper clips, and all the supplies that support paper, so I’m excited to be going electronic with this.

Ms. Carrizales continued and stated so I want to talk a little bit about our selection process, of how we chose UKG. We began with demos of four different systems, with myself and my H.R. staff that are listed there. We talked with our Purchasing Dept. about the process and how we could go about doing this. Of the four that we initially saw demos for we selected two to bring back for a secondary demo. We looped in the Finance Dept., we looped in the I.T. Dept., we selected several employees and managers to get their perspective and feedback on what they saw. I checked references for the two that we brought back for a secondary demo and ultimately across the board UKG was the unanimous winner from everybody that saw those demos.

Ms. Carrizales went to the next slide and stated so why UKG, I believe they’re the best in class. So the “K” in UKG stands for Kronos. Some of you may have heard of Kronos, they’ve been a big player in the Time and Absence space for a long time now. With that they bring their enhanced technology, they’re continually improving their services and their software to make it more user friendly and meet their clients’ needs. They’re used to doing complex payrolls, you know we don’t have super complex payrolls here, but we do have 24 hour, 7-day a week shops and system operations and our water and wastewater plants. We do have shift differentials, we do have call out pays, those types of things. So because they’re used to dealing with let’s say police and fire payrolls which have the same nuances, they should easily be able to handle our payroll system here. They coordinate well with other systems, so the Finance Dept. uses Microsoft Great Plains (G.P.), that’s the General Ledger finance system. UKG has partnered with clients that have G.P. before, we were able to do a deep dive and see what type of reporting they can produce that will then feed into G.P. and meets the needs to the level of detail that we’ll be looking for to capture that. In addition our retirement provider Empower, they’ve already got a pre-built 360 integration with UKG, so data flows backwards, you know both ways for that. As well as some of the other vendors that we have for our employee insurances, UKG has partnered with them in the past as well which should make this implementation much smoother.

Ms. Carrizales continued by stating and then up and coming is the Work and Asset Management software that again UKG has partnered with some of the big players in this space and they should be able to partner with anything that, any software vendor that’s decided for that. The Manager Dashboard was one thing that Managers said that they really liked, with just a few clicks they’ll be able to manage their entire staff. Where is everybody at, at any given time, who’s here, who’s not here, be able to look at whatever information they need to effectively manage their staff. The References, I spoke with the H.R. Director from Warren County, Virginia, who went through an implementation with UKG last year. They’re slightly

(7-a) Ratification – Cooperative Purchasing Agreement for UKG’s Human Resources Information System (HRIS) – (U.S. Communities Government Purchasing Alliance Master Agreement Ref. No. 18221) (cont.):

larger than we are but she gave them a rave reference, she said the implementation couldn’t have gone better. And the important, most importantly their post-go-live support has been phenomenal. In the event there was a question or a problem, you don’t have to create a ticket and wait for somebody to get back to you, there is somebody there at their Help Desk on the ready, waiting for you, to solve your issues. So she spoke very highly of their post-go-live support and the overall implementation. And then as well as their Security, because they have been around for such a long time, they’ve really honed where they need to be in the security space. So they do use the Google Cloud platform, they’ve received the American Institute of Certified Public Accountants SOC 1 and SOC Type II designation there which I forwarded to both Mr. Chavez and Mr. Michel in the I.T. Dept. to make sure they’re fully aware of what’s in those reports. They’ve also certified compliance with the U.S. Privacy Shield Framework and confirmed that they do not have any outstanding data breaches or security issues. And then of course we’ll always have a back-up plan.

Ms. Carrizales continued and stated and then the last slide is just the proposed cost. They were all very similar, both with the four systems that we demoed this go around, as well as the six proposals that were received in 2018, within a couple thousand dollars of each. So while this doesn’t actually meet the threshold to bring it to you for approval, we wanted to highlight this because it is part of the overall modernization efforts and how we’re moving going forward as an organization. So with that...

Commissioner Hawes stated one question for you.

Ms. Carrizales stated sure.

Commissioner Hawes asked will this just sort of start as a date, the other stuff meaning record keeping, that’s not going to somehow magically go in here. Or do you have to kind of keep all of your old paper and appraisals.

Ms. Carrizales stated no, so you can keep electronic records if that’s the format that it was created in, and Mr. Cloud can speak more to this. You know in the event we do still have paper personnel files, probably a phase II with this to be convert those to electronic, but I believe you must have a written policy if you’re going to destroy the original records and keep them electronically. Is that correct Mr. Cloud?

Mr. Cloud stated I believe so, I would have to ask Suzanne because I don’t profess to be a Labor and Employment Attorney. It’s outside my wheelhouse, but I have talked to Suzanne Spradley about this before and she said the same thing.

Ms. Carrizales stated so the records would now just be electronic in lieu of paper, they would still have to meet the same retention schedules. For personnel files it’s 50 years, so there would be no purging of our system, they would just be there indefinitely.

(7-a) Ratification – Cooperative Purchasing Agreement for UKG’s Human Resources Information System (HRIS) – (U.S. Communities Government Purchasing Alliance Master Agreement Ref. No. 18221) (cont.):

Commissioner Smith stated is there a certain number of employees we’re instituting this as feasible, I mean is there a threshold.

Ms. Carrizales stated there’s not a threshold particularly. Systems that we looked at geared toward smaller organizations like us. You’ve probably heard of Oracle, they’re huge.

Commissioner Smith stated right.

Ms. Carrizales continued, if you’ve heard of Workday, they’re huge. Typically 500 is about the cut off of employees, an organization has to have over 500 employees before you can get an Oracle in or a Workday in. UKG Ready which is the program we’re looking at is specifically geared to a smaller sized organization like we are, but it still brings with them their configurable capabilities that they take to their larger clients.

Commissioner Smith stated so it can be improved as time goes on.

Ms. Carrizales stated absolutely. And it’s because it’s a Cloud-Based system, everybody is on the same version. It’s not like we have to upgrade ourselves you know at the end of every year or something like that, or maybe we choose not to upgrade for one reason or another, they do all of that on the backend. They update any Federal limits right, so you can only contribute so much to your 457 Plan, they take care of that limit. The Tax Tables, they update, because the Tax Tables are the same for everybody in the country, they update the Tax Tables. So because of the Cloud-Based system and everybody is on the same version they handle all of that on their end and our I.T. Dept. doesn’t have to do it on our side.

Commissioner Conrad stated in addition to the accuracy and the efficiency of the automated program, do we have any kind of a cost-benefit analysis related to the number of less hours people will spend, and your department will spend.

Ms. Carrizales stated you know we haven’t quantified that currently so I can’t say specifically what they would be other than I know people write their time in, I know people spend time adding it up. Whether that’s the Admins. in the department, the Managers reviewing it going oh, you forgot to put your PLT day in type thing, so I think the cost benefit is going to be substantial because it will really eliminate all the data entry, the adding up of hours by multiple people that are doing the same thing. I think we’ll see it in the duties that will be then you know changed, right, going forward and where somebody was previously doing data entry, they’re now doing data analysis instead.

Commissioner Conrad stated I agree, good idea.

Chairman Davenport stated we’re looking for a motion on this today.

Ms. Carrizales stated I believe it’s up for ratification.

(7-a) Ratification – Cooperative Purchasing Agreement for UKG’s Human Resources Information System (HRIS) – (U.S. Communities Government Purchasing Alliance Master Agreement Ref. No. 18221) (cont.):

Commissioner Kelly stated quick question, how long an agreement is it for.

Ms. Carrizales stated so this would be for a three-year agreement with the options to renew so long as the governing Co-op Purchasing Agreement is still in effect, which it currently is. They just renewed, I mean I think they’re, just renewed in March and they’re up another renewal this coming up March so...

Commissioner Kelly stated so the one-time fee of \$12,000.00 is for every three years.

Ms. Carrizales stated one-time, nope, one-time just to implement the system, just to configure everything, get it set up for our payroll, one time only.

Commissioner Kelly stated okay, and by the way I think you will save time, they’ve got some great systems out there. And we’ve just upgraded, and for the Controller and the CFO it’s night and day for them with the information access. The only thing is I can tell you is the dashboards get forgotten about if they’re not utilized and people are reminded of hey, its on your dashboard, don’t call me for that information, it’s on your dashboard.

Ms. Carrizales stated that was the one thing, right. There certainly will be change management that is involved, no doubt. Going from what I used to do in paper to now is electronic, and what you used to call H.R. for is now at your fingertips in your dashboard. We’re always here for support, we’ll always take employee calls. I mean we actually enjoy talking to employees, so we’re happy to say well, actually let me walk you through how you can find that on your dashboard, so we’re great at doing that.

Commissioner Kelly added, you’ll get it.

Ms. Carrizales added I’m excited though.

Commissioner Kelly stated thank you, great deal there, its good stuff.

Commissioner Conrad stated and I think this price is very reasonable.

Commissioner Kelly stated I do too.

Ms. Carrizales stated like I said it was comparative to the systems we looked at now to the systems that bid in 2018, within a couple of thousand dollars, they were all in the same ballpark. So I think UKG has done a good job at knowing what their market is and knowing what the price point for this market is for our organizational size.

Chairman Davenport commented yes, its time we get into the 20th century.

Ms. Carrizales stated yes, it’s time.

(7-a) Ratification – Cooperative Purchasing Agreement for UKG’s Human Resources Information System (HRIS) – (U.S. Communities Government Purchasing Alliance Master Agreement Ref. No. 18221) (cont.):

Commissioner Kelly added it’s amazing.

Chairman Davenport then stated we need a motion for this.

Commissioner Hawes stated so moved; specifically a motion ratifying participation in a governmental cooperative purchasing program and the implementation of a Human Resources Information System (HRIS) from Kronos SAAShr, Inc. (a UKG Company), through the U.S. Communities Government Purchasing Alliance – Master Agreement Reference No. 18221. (Annual rate of \$49,245.60 plus one-time set-up fee of \$12,000.00 – approved as an ongoing Modernization Project)

Commissioners Kelly and Conrad seconded this motion.

Chairman Davenport asked if there was any discussion.

Mrs. Simmons then confirmed the first and second on this motion.

After Chairman Davenport confirmed no further discussion by Commissioners, commented a good presentation, just makes sense, long overdue, wish we had done this in 2018.

Mr. Bunch stated well, we held off in 2019 actually, what we determined was, and the recommendation was made before anybody in the room was here, to move in the direction of this company. A very big company and prior to implementation they weren’t willing to do test data, we discovered that they were too big for us and it was time to not go into that contract. So we probably held off at least three years, but we saved some money for the right time.

Chairman Davenport stated it’s the right time, okay, we’ve got a motion on the floor with a second, and there’s no more discussion, Mrs. Simmons, if you’ll call the roll please ma’am.

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

Ms. Carrizales stated thank you.

Chairman Davenport stated excellent job, thank you so much for what you’ve done.

(8) Possible Other Business – Time for Commissioners:

Chairman Davenport stated okay, item number 8. Possible Other Business – Time for Commissioners. Commissioner Conrad do you have anything?

Commissioner Conrad stated no.

Chairman Davenport then stated Commissioner Kelly.

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

Commissioner Kelly stated no.

Chairman Davenport then added we missed you last meeting.

Commissioner Kelly stated sorry about that, I think I was having fun somewhere though.

Chairman Davenport stated probably were, it was around Christmas, we were all in here, and we had a special Christmas party. Anything Commissioner Kelly?

Commissioner Kelly reiterated no.

Chairman Davenport stated Commissioner Smith?

Commissioner Smith stated I just want to thank staff for getting back with me on the Marriott issue there and other questions that I have around power of course, so thanks for your input I appreciate it.

After confirming Commissioner Hawes had no comments, Chairman Davenport stated I'd just like to say thank you all for what you've done, really good presentations today.

Commissioner Kelly concurred.

Chairman Davenport continued, just thinking about 2018 and what all we've covered, I mean I think in the years I've been on this board and what Mr. Bunch and Mr. Chavez and all of you have done with these reports, it's night and day from when I got on this board. So at least I feel comfortable setting up here now when at one time I was concerned; so thank you very much. Could I have a motion to adjourn?

Commissioner Hawes made that motion to adjourn and Commissioner Kelly seconded.

Chairman Davenport stated all right, so moved, adjourned.

There being no further business to come before the Commission, the Regular NSBU Meeting closed at 4:42 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.}