

*[ANNOTATED VERSION\*]*

*[\*Near verbatim/detailed version of minutes posted on NSBU website – nsbufl.com]*

MINUTES OF A FINAL PUBLIC HEARING AND REGULAR MEETING OF THE NEW SMYRNA BEACH UTILITIES, CITY OF NEW SMYRNA BEACH, FLORIDA, HELD MONDAY, FEBRUARY 27, 2023, AT 3:00 P.M., AT 200 CANAL STREET, NEW SMYRNA BEACH, FLORIDA

Final 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 called the Final Public Hearing to order. A majority of the NSBU Commissioners were in attendance as follows:

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

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; 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; D. Simmons, Exec. Mgr./ Recording Secretary; General Counsel Thomas Cloud, Esquire – Gray|Robinson Attorneys at Law; Lisa Martin, NSB City Commissioner, Dawn and David Whiteley, and Paula Rossiter, members of the public in attendance on site.

Mr. Cloud then read the title of the proposed Resolution into the record. 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 asked if there were any comments for or opposed to NSBU’s consideration and declaration regarding the two new PURPA Standards.

Mr. Cloud stated I would just point out that you are, by passing the Resolution, stating that you’ve considered it and decided not to adopt them. So that no one is under any confusion as to whether we are adopting or not adopting the PURPA suggested standards.

Chairman Davenport stated okay, confirmed there were no public comments, then asked if any Commissioners would like to speak to this issue.

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

Commissioner Hawes stated I would like to read something into the record on this if I may.

Chairman Davenport stated absolutely.

Commissioner Hawes provided a written statement for the record and then read his personal statement/opinion into the record. His statement cautioned against the adoption of practices or procedures, even if considered governmental, regulatory, or business mandates, that could diminish NSBU's ability to provide cost-effective, safe and reliable power and water services. Also encouraged Commissioners and Management to be prepared to make difficult decisions if and when required to support this obligation.

Chairman Davenport stated thank you and added that is Commissioner Rick Hawes' opinion.

Commissioner Hawes stated that is correct.

Chairman Davenport commented it was a good one, very educational. There being no further comments, Chairman Davenport stated I'll close the Final Public Hearing and then reopen into our Regular board meeting.

This Final Public Hearing closed at 3:07 p.m.

**Regular NSBU Meeting Held 2-27-23:**

After concluding the Final Public Hearing for consideration of the two new PURPA standards, Chairman Davenport opened the 2-27-23 Regular NSBU Meeting and requested Commissioner Hawes to lead the Pledge.

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

**Safety Message by Efren Chavez – Safety Committees:**

Chairman Davenport then stated okay, now we have our Safety Message by Efren Chavez - Safety Committees.

Mr. Chavez provided a handout and briefly discussed Safety Committees. Pointed out NSBU has created and is nurturing a culture of safety specific to the utility industry. There are daily inherent dangers in performing electric and water work activities. Within Safety Committees purposes are clearly defined and documented. They bring together workers and employers through regularly scheduled meetings where safety issues can be addressed, ideas are collected and reinforcement of best practices in safety are discussed. Additionally, NSBU conducts pre-job briefings. All of these actions focus on reducing risks of workplace injuries and illnesses. NSBU's safety culture is reinforced through these committees and safety activities. NSBU Safety Committees also support top-down and bottom-up involvement to ensure this continual safety focus remains throughout all levels of the organization.

Regular NSBU Meeting Held 2-27-23 – Roll Call:

Chairman Davenport then requested Mrs. Simmons to call the roll please.

The same attendees were physically present as stated under the Final Public Hearing roll call and as displayed above on page one of these minutes.

(1) Agenda Changes, Additions and Deletions:

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

Mr. Bunch stated Chairman, no changes, additions or deletions.

(2) Public Participation:

Chairman Davenport then stated number two, any public participation.

Mrs. Simmons indicated that Mrs. Fisher had just given her some handouts from Mrs. Whiteley, in the audience, and who said she would like to speak.

Chairman Davenport stated sure, okay. Please provide your name, address and we limit it to three minutes, as close to it as we can.

Mrs. Dawn Whiteley came to the podium and stated her name, then her address – 2071 March Harbour Drive, New Smyrna Beach. Within her handout, Mrs. Whiteley reiterated here support for the proposed Williams Road Route for the NSBU's Reliability Grid Project in lieu of the Turnbull Creek Route due to the environmental impacts.

Chairman Davenport confirmed there were no questions for Mrs. Whiteley.

Mr. Bunch then offered and provided a few comments regarding this Project's schedule, explaining final recommendations haven't been made yet. There will be at least one Public Hearing where the recommended route or routes will be presented and discussed. All factors, including Mrs. Whiteley's comments will be considered. The Public Hearing is expected to be held between now and June, tentatively may be held in May. NSBU staff will publish agendas and also notify those on the email list Mrs. Ellen Fisher is maintaining for this project.

Mrs. Whiteley stated thank you.

Chairman Davenport stated thank you again for speaking today and then recognized City Commissioner Martin who was in attendance on site, thanked her for being here.

There was no other public participation at this time.

(3) Approval of Consent Items:

Chairman Davenport confirmed with each Commissioner regarding their desire to pull any of the consent items for discussion.

Commission Action:

There being none, Commissioner Conrad then stated I'll make the motion to approve the consent agenda, items a. through d.; specifically a motion to approve item 3-a. Minutes of Preliminary Public Hearing and Regular NSBU Meeting Held 1-23-23, approve as submitted; item 3-b. Project Approval – Pioneer Trail and Sugar Mill Drive Reclaimed Water Main Relocation, approved this project and associated Joint Project Agreement (attached to agenda item), for the relocation of a 12" Reclaimed Water Main located in the Volusia County right-of-way at Pioneer Trail and Sugar Mill Drive, for a total project amount of \$200,000.00 and authorize the GM-CEO or his designee to execute all documents associated with this matter; item 3-c. Approval – Developer's Agreement – The Palms at Venetian Bay, Phase 6 – Palms Land Holdings, LLC, approved the D.A., including described construction/upsizing of water and reclaimed water mains for NSBU reimbursement, and authorize the GM-CEO or his designee to execute this document when contingencies are met; and item 3-d. Ratification Budget Increase – Turnbull Bay Road Line 17 Reconductoring Project, ratifying a \$250,000.00 budget increase for a total overall budget of \$2,200,000.00 for the Turnbull Bay Road Line 17 Reconductoring Project. Previous overall project authorizations and approvals referenced in agenda item are ongoing for the GM-CEO or his designee to execute all necessary documentation for this matter.

Commissioner Hawes stated second.

There being no further discussion on the motion, Commissioner Conrad's motion approving the consent items as stated above then passed unanimously on a roll call vote.

(4) General Manager's Report:

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

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

(4-a) Financial Status – January 2023:

Mr. Chavez then came to the podium and presented the January 2023 Financial Performance Results. Reflected a change in net assets of approximately \$1.2 million, slightly lower versus the prior year driven by increased purchased power, operating expenses, and slightly less capital contributions. And then offset by favorable revenues in rates, customer growth, and the increased purchased power adjustment. January 2023 fiscal year to date capital expenditures were approximately \$3.1 million in Major projects and \$2.3 million in Annual projects.

(4-a) Financial Status – January 2023 (cont.):

Mr. Chavez continued, and went to the slide for the natural gas spot price. Stated this was usually a leading indicator on where purchased power would be headed. Pointed out this was \$2.71 per MMBtu in January 2021, \$3.27/MMBtu in January 2023, and was \$4.28/MMBtu in January 2022. Explained as long as NSBU remains below \$3.00, will be in a good spot. As an additional comparison, natural gas was near \$9.00 at the middle of 2022. January fiscal year to date purchased power at \$72.39 per megawatt hour, 18.2% higher than budgeted amount of \$61.24/MWh, and 11% higher than the prior year. Under-recovered in the fuel balance about \$2.1 million as of January 31, 2023, but trending in the right direction. Will continue to monitor this as purchased power fluctuates. The balance does reflect an improvement of \$300,000 since the beginning of October 2022.

Mr. Chavez continued and stated the January 2023 operating income/loss was \$327,000 and compared to prior year in January was about \$500,000. The increased purchased power of \$3.2 million is in the wrong direction but should start to see purchased power ideally settle and eventually go lower, then that will start to decrease. On the operating expense side, increase drivers are around normal maintenance of pension, benefits, and salaries, and system maintenance. Stressed that staff will be reviewing operation and maintenance (O&M) expenses during the upcoming budget cycle, will be challenging staff to try to drive down some of the operating increases.

Commissioner Hawes questioned if there was a surplus, on a capital or contribution standpoint Mr. Chavez would like to see over the course of a year.

Mr. Chavez indicated his usual focus is on the operating income level, as it was directly controllable, other items not as much.

Commissioner Hawes stated okay, thank you.

Mr. Chavez continued and stated the appendix is the key performance indicators, wouldn't go through those in detail but overall they are heading in the right direction, particularly in the electric reliability, customer service and a number of other areas are also very positive.

There being no further questions or comments, Chairman Davenport thanked Mr. Chavez and moved on to the next item.

(4-b) Update – NSBU Customer Experience Improvements:

Mr. Bunch stated next I'm going to ask Danielle Wood and Ellen Fisher to come to the podium. Within our Modernization initiatives there were a number of planned Customer Experience Improvements and this one today gets into how our customers do business with us. Mrs. Wood and Mrs. Fisher are going to walk us through this.

Mrs. Wood came to the podium and stated good afternoon. Today we are going to be showing our new customer portal, we wanted to be able to walk you through it and show you all the different features that are available to our customers now.

(4-b) Update – NSBU Customer Experience Improvements (cont.):

Mrs. Wood and Mrs. Fisher provided a walk-through of all the numerous features in NSBU's new customer portal. Some of the features they explained and were shown on a screen in the meeting room were, the portal now includes personalized videos. And also is predictive, will offer possible solutions regarding specific, various bill items. And the transactional lists are now available for downloading to Word or Excel by our customers.

Mrs. Wood and Mrs. Fisher continued with the interactive presentation and reviewed and displayed various tabs that are included in this new all-inclusive customer portal. Various tabs discussed were Bills & Payments. Pointed out customers can now choose Pay-By-Text in this area of the portal. Includes a Transactions tab and a Billed Usage tab. Pointed out that after AMI meter installs, this tab will provide customers with hourly billing usage information. Electric and Water Services tabs, Consumption Graphs, and inclusive of various Weather Overlays. Also has a My Events tab where customers can track their usage after events such as an AC install or a leak repair. And a Compare tab, where customers can compare their monthly or annual usages. An Outages tab, customers can now submit an outage report directly from their customer portal, this was launched in late January 2023. A Profile tab, this area allows management of an account. Can also add additional accounts to manage if needed (e.g. HOA), as well as will permit guest access if desired.

After some inquiries and discussion from Commissioners and public in attendance on site, occurring throughout the walk-through presentation, Mrs. Wood concluded by mentioning that additional customer experience improvements were coming soon – smart forms and a NSBU app for smart phones.

Commissioner Hawes confirmed that NSBU's Customer Service Representatives (CSR's) are prepared to support the portal features, have been assisting customers navigate the new portal.

Mrs. Wood stated absolutely, that's what we're here for. We've been fielding some calls. I will say that the questions that have rolled in so far have been very light, we haven't seen a lot of people struggling with the system. When we went live, we were able to migrate most of our existing customers over with their existing email address and passwords so that they didn't have to re-register, which made a smoother rollout to go live. But our CSR's are all equally very excited about all the information in here, they were all really amped up about it. So we're happy to finally have it rolled out to the customers and I think it will be very beneficial for everyone, definitely enhances their experience with us.

Commissioner Hawes commented well, it's kind of interesting for them because they're service people but now they've sort of become consultants for lack of a better word.

Mrs. Wood stated yes, definitely.

There being no further questions, Chairman Davenport thanked Mrs. Wood.

Mr. Bunch also thanked Mrs. Wood and then stated Chairman back to you for section five.

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

Chairman Davenport stated thank you to Mr. Bunch, and then stated agenda item number 5. General Counsel's Report.

(5-a) Proposed NSBU Resolution No. 2023-01 – Declaring NSBU's Intention Regarding Requirements of PURPA, Two New Standards: (1) Demand Response and Demand Flexibility and (2) Electric Vehicle Charging Programs:

Mr. Cloud stated we just have the item that is pending before you which is a motion for which the public hearing was closed, so which you can now make a decision, which is to vote yes or no on the motion to adopt a resolution.

Chairman Davenport stated okay, we need a motion and a second.

Commission Action:

Commissioner Hawes stated I would make the motion; specifically a motion to approve the Resolution declaring NSBU's intent regarding two new PURPA Standards, as stated in the Resolution and in the agenda item summary. Upon approval the resolution will be number 2023-01 and become effective immediately upon passage.

Chairman Davenport stated okay, now a second.

Commissioner Conrad stated second.

Chairman Davenport confirmed there was no discussion on the motion and requested Mrs. Simmons to call the roll.

Mrs. Simmons stated this would be for an approval of Resolution No. 2023-01. After completion of the roll call, Commissioner Hawes' motion passed unanimously.

(As stated by General Counsel during the Final Public Hearing, NSBU considered these standards and will not be adopting them. Will continue to exercise its adoption of exclusion and when appropriate will continue enacting voluntary beneficial measures for our customers and system.)

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

Mr. Cloud commented it was five years ago today that he first appeared before this board presenting a peer review report. Added I've enjoyed the last five years and look forward to a few more at least. I just thought I'd share that with you.

Chairman Davenport stated thank you.

(6) Old Business:

Chairman Davenport confirmed there were no items of Old Business.

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(7) New Business:

Chairman Davenport confirmed there were no items of New Business.

(8) Possible Other Business – Time for Commissioners:

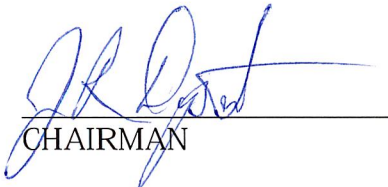
Chairman Davenport confirmed Commissioner Conrad did not have any comments, and then asked Commissioner Smith.

Commissioner Smith requested staff to get back with him regarding renewable natural gas (RNG) and if it was feasible for NSBU to capture methane off of its Wastewater Treatment Plant. Also commented, had discussed with Mr. Bunch, and is looking forward to providing input on questions or issues that will be discussed during the upcoming Joint City/NSBU Meeting (*scheduled for April 27, 2023 at 5:30 p.m.*). Also requested staff to look into putting forward the Florida Water Star Program for New Smyrna Beach.

After confirming Commissioner Hawes did not have any comments at this time, Chairman Davenport thanked staff for the wonderful job they do and added he had recently received great feedback from two customers. After forwarding the requests to NSBU staff, usually Mr. Bunch, he received accolades from both customers for our service. Chairman Davenport then banged the gavel and stated meeting adjourned.

There being no further business to come before the Commission, the Regular NSBU Meeting closed at 3:50 p.m.

APPROVED:

  
CHAIRMAN

ATTEST:

  
SECRETARY-TREASURER

These minutes were formally approved by the Utilities Commission at their March 27, 2023 meeting.