

AGENDA ITEM 3-a

MINUTES OF REGULAR MEETING OF THE NEW SMYRNA BEACH UTILITIES, CITY OF NEW SMYRNA BEACH, FLORIDA, HELD MONDAY, APRIL 24, 2023, AT 3:00 P.M., AT 200 CANAL STREET, NEW SMYRNA BEACH, FLORIDA

Chairman Davenport called this Regular NSBU Meeting on April 24, 2023 at 3:00 p.m. to order.

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

Safety Message by Vernon Steele – “5 Safe Driving Principles”:

Chairman Davenport stated okay, now we have a safety message from Vernon Steele – 5 Safe Driving Principles. Thank you, Mr. Steele.

Mr. Steele stated good afternoon. Today we're going to talk about 5 Driving Principles to help us be better drivers. So a company call Smith Systems does a lot of driver training and they narrowed everything down to five principles. The first one is Aim High in Steering. You know, don't stare at the taillights in front of you. Look through the car in front of you, what's ahead of them, what's behind you, look further out instead of just staring at the car in front of you. Have a four second following distance, that gives you plenty of time to stop in case there's an incident or find a way out. And then Get the Big Picture, what's behind you, what's to the left of you, right of you, what's eight or ten seconds out. Are you coming up on a traffic signal that's been green for a long time that might turn yellow. Get the big picture of everything that's going on around you. Keep Your Eyes Moving, you know check all your mirrors every six seconds, that's one that I use a lot and six seconds seems like its fast but once you get into the routine it just becomes nature, you constantly scan those mirrors to see what's going on around you. So keep your eyes moving, don't fixate, if you're talking to somebody in the car, don't look at them, look at the road, things like that. Leave Yourself an Out, what are you going to do if that car in front of you all of a sudden, locks up their brakes, where are you going to go. Or the car next to you, comes over into your lane, make sure you have a place that you can go to, to get out of trouble. And then Make Sure They See You, don't travel in another car's blind spot. If you can't see them through their, in your mirror, they can't see you either. So just make sure you're visible. Most cars today have automatic headlights that are on when the vehicle's moving but if your car doesn't have that turn your headlights on, make yourself visible. And when you're coming up in an intersection if there's another car at the intersection, make eye contact with them, do they see you. Just make sure that you can be seen and that will help a lot to avoid an accident. Then stated that's all I've got, anybody have any questions or comments.

Chairman Davenport stated any questions anyone?

Commissioner Smith stated just one comment, another thing that would make safe driving is do not get into your car in New Smyrna on the weekend.

Mr. Steele stated yes, and stay away from the boat ramps too.

Safety Message by Vernon Steele – “5 Safe Driving Principles” (cont.):

Commissioner Hawes stated I was watching the end of Talladega Road Race yesterday and of course those guys violated a few of those on the last couple of laps.

Mr. Steele commented yes, they don't have turn signals, how do they know where they're all going.

Commissioner Hawes added they have a lot of issues.

Chairman Davenport then stated okay, thanks Mr. Steele, appreciate it.

Roll Call:

Chairman Davenport stated okay, next thing, roll call please Mrs. Simmons.

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 & I.T.; J. Grusauskas, Director, Water Resources; L. Green, Help Desk Technician; 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, and Paula Rossiter, member of the public in attendance on site.

(1) Agenda Changes, Additions and Deletions:

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

Mr. Bunch stated no changes Chairman, I would just like to note that under section 8. Possible Other Business item, I would just like to spend a few minutes to talk about the agenda for the Thursday Joint Commission Meeting with the City.

Chairman Davenport stated 8-a.

Mr. Bunch stated thank you.

Chairman Davenport stated if that's all we got, then moving on.

(2) Public Participation:

Chairman Davenport stated item number 2. on the agenda, Public Participation. Do we have any public that would like to participate, on the phone or in public? If none, we'll close that part.

There was no public participation at this time.

(3) Approval of Consent Items:

Chairman Davenport stated area number 3., item number 3. Approval of Consent Items, a. through d. Everyone comfortable, do you want to pull anything.

Comms. Smith stated I'd like to pull c.

Chairman Davenport stated okay, c., anything else. Okay, then if we could, can I get a motion on a., b., and d.

Commissioner Hawes stated I would approve, that we approve consent items a., b., and d.; specifically a motion to approve item 3-a. Minutes of Regular NSBU Meeting Held 3-27-23 (annotated version), approve as submitted; item 3-b. Project Update – Lift Station No. 5 Reconstruction, no motion required – information only. Noted prior overall project authorizations and approvals referenced in the summary section of the agenda item were ongoing for the GM-CEO or his designee to execute all associated project documents; item 3-d. Ratification – Manhole 72-02 Replacement and Lift Station No. 73 Improvements Project – Award and Additional Funding Request, ratified the work for this project located in Sugar Mill to be awarded to Driveways, Inc. in the amount of \$298,035.12 and for additional project funding in the amount of \$113,000.00, for a new overall project budget of \$330,000.00. Also stated prior overall project authorization ongoing for GM-CEO or his designee to execute all associated project documents.

Commissioner Conrad stated second.

Chairman Davenport stated okay, any discussion. Being none, requested Mrs. Simmons to call the roll please.

Commissioner Hawes' motion approving consent items a., b., and d. then passed unanimously on a roll call vote.

(3-c) Ratification – Granted and Accepted Third Party Utility Easements (14):

Chairman Davenport stated okay, item number c., Commissioner Smith.

Commissioner Smith stated thank you. I just had a question of staff. These third-party utility easements include a survey and a legal description with each one. Who reviews those, is it a licensed surveyor?

Ms. Couillard stated yes.

Commissioner Smith stated you contract with a licensed surveyor?

(3-c) Ratification – Granted and Accepted Third Party Utility Easements (14) (cont.):

Ms. Couillard stated yes, or we require them to do the same and send it to us.

Commissioner Smith stated that's my only question.

Commissioner Smith then stated yes, because I don't know, how do you make sure that they close. And I don't think you want the Commissioners trying to review those, but anyway, thank you.

Ms. Couillard stated you're welcome.

Commissioner Smith stated that's it.

Chairman Davenport stated thanks Ms. Couillard. Is that good enough Commissioner Smith?

Commissioner Smith stated that's what I wanted to hear.

Chairman Davenport stated okay, can I have a motion on that, c.

Commissioner Smith then stated so moved; specifically a motion to ratify the acceptance of fourteen third party granted utility easements – granted to NSBU for 2712 Honeydew Lane, 6458 River Road, and remaining twelve easements for various addresses on South Atlantic Avenue, as listed, for a customer-initiated overhead to underground residential electric services conversion; attached hereto and hereby submitted to the Commission.

Commissioners Conrad and Kelly simultaneously seconded this motion.

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

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

(4) General Manager's Report:

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

Mr. Bunch stated thank you Chairman, I'd like to ask Mr. Efren Chavez to come up and cover the financial status for March and year-to-date. And then I'll move on to the Balanced Scorecard and Metrics.

(4-a) Financial Status – March 2023:

Mr. Chavez came to the podium.

Due to a lower volume on the microphone, Mr. Bunch stated maybe just step up a little closer if you could and speak a little louder than you normally would, thanks.

Mr. Chavez stated okay, so March year to date, if you'll go to the next slide Mrs. Simmons. March year to date for a change in net assets of about \$1.3 million. The drivers are right now mild weather, fall and winter, which resulted in lower usage. But we've started to see, now we're going to the warmer months, March usage has picked up significantly and purchased power costs are starting to go on the, it's starting to trend lower which is good. So \$0.2M

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

lower change in net assets for prior year, increased purchased power and operating expenses, and lower usage. February, the month of February alone was 13.8% lower than the prior year, and then of course the impacts of Hurricanes Ian and Nicole in the earlier part of this fiscal year. Of course offset by favorable revenues, purchased power adjustment and increased interest earnings. So as we see, the interest, as the Fed increases rates, we are getting better earnings on our excess cash and such, so that's a good thing. FMPA, which is where we partnered up with them, the \$0.3 of the interest earnings is driven purely based on their investments of our assets in a conservative manner but earning pretty good yield. So electric consumption year over year, 1.4% lower. The purchased power, \$67.50, is 2.6% lower than the budget. It is slightly higher than the prior year, but it is trending downwards as we see it this year. Water consumption is lower on all fronts, but it is getting better month over month. Water's down 0.9%, 0.2% on wastewater and then reclaimed is 0.7% lower.

Mr. Chavez went to the next slide and stated on the capital side, so we've got \$5.1 million in major and \$4.3 million in annual projects. One thing that we're seeing across the board, even though we're post-Covid by a good amount of time the supply chain bottlenecks, slowdowns, it's pretty consistent now. It's kind of the new realities so our Purchasing Department is working with the respective groups to make sure that we have enough materials in place so we're able to function and still get our necessary items, but it just takes a little longer and we're planning that in. So on the Major projects, ERIP, we're pretty much wrapping up, Lift Station 12 Replacement, Line 17 Rebuild, Glencoe Wells 2 and 3 Upgrade. And then on the Annual projects spend really Gravity Sewer Lining, Tools and Equipment, New Business Electric and Water Installations. Since we're at the half-year point (fiscal), right now our full-year capital forecast, we're projecting, forecasting about \$22.3 million versus a budget of \$35.7 million. So the lesson that we learned here is in the, since with the onset of the supply chain constraints, we've factored in anything that we've put off, shifting into 2024. But then we've adjusted our targets appropriately from a budgetary standpoint so that our budget is more in line with what we've seen. So we're forecasting \$22.3 million for this fiscal year. We spent \$20.5 million last fiscal year. So as we look to 2024 to 2033's budget, we're adjusting, we believe the low 20's (million) is more of a reasonable target, because we know just from the supply chain standpoint it's pretty difficult to get items; we're adjusting our projects accordingly.

Mr. Chavez continued, on the current year forecast some of the wastewater projects bid issuances, you put a bid out we get no responses. The AMI and the Work and Asset Management System (WAMS) we've just in the selection process, so that shifted as well. That's part of the driver for the decrease in the fiscal year 2023 capital forecast of \$22.3M, and of course as those things shift, we're adjusting the budget accordingly.

Commissioner Hawes stated what's the story with the wastewater bids, are they just small or people not interested, too busy, or ?

Mr. Chavez stated you know it's a whole, maybe I'll let Ms. Couillard.

Ms. Couillard stated so the contractors have a lot of choice right now and they're going after the bigger, easier projects. So in the past we would join projects together, like do a force main plus a lift station. It's different contractors, they don't want to deal with the force main.

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

So we went back out to bid for the lift station work and then we'll do the force main stuff separately. I was really surprised to be honest with you, but they can kind of pick and choose what they want.

Chairman Davenport stated why don't they want to deal with force mains?

Ms. Couillard stated its messy.

Chairman Davenport stated well, isn't the other work messy, I haven't seen construction yet that's not messy.

Ms. Couillard stated yes, the force mains are more touchy and you have to do certain things under pressure, whereas on most of our lift stations we can build the wetwell separately and then port it over. But I mean all of our contracts are huge right now.

Mr. Bunch stated yes, but huge for us may not be big for somebody like our general contractors and what I hear is they're chasing the easier, bigger projects they can make more profit on. And I was talking to a CEO of a contracting company Mid-Atlantic yesterday, he's been in business 60 years and he's seen the same things that we are. Resource availability from the contractors, the costs of materials and then lead times. I still don't think we're seeing lead times shrink have we.

Ms. Couillard stated no.

Commissioner Hawes stated is there anything that is causing a particular problem at all, meaning no bids, is there something or is this more maintenance type stuff or ?

Ms. Couillard stated it's more construction type stuff.

Commissioner Hawes stated okay.

Ms. Couillard stated what's delaying us a lot is anything that has a computerized chip in it, the delays on those are just ridiculous. And we get notified oh, we're supposed to deliver that today or this month, it's going to be another three months. And then it's another three months, and another three months, so.

Commissioner Hawes stated so in other words this is not critical stuff, it's necessary. I don't know how to say it.

Ms. Couillard stated it is critical, we can't start up a new lift station without having the control panel, and so we have to wait. So we have maybe lift stations on a bypass longer than we expected, so we're paying for all that with the gas and everything.

Mr. Bunch stated basic things like electrical switchgear used to be six to eight weeks are now six to twelve months. Transformers, as you remember we used to have an eight to twelve

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

week lead time on them and we had to get a three-year purchasing agreement to get capacity in the factories. It just hasn't reversed what we saw probably starting just about three years ago.

Ms. Couillard stated yes, it can be frustrating.

Commissioner Hawes stated thank you.

Commissioner Conrad stated so do you see any evidence of increased operating costs because we're having to put off capital projects?

Mr. Chavez stated what we're seeing is, just for example we have standby generators and such, so those just go on for longer. But what we've done since we have been ahead of our maintenance beforehand, and in some of these capital projects, things that we had planned to do it does, there is a shift, but not significant on the O&M side.

Mr. Bunch stated well, maybe not our labor, but you may recall when we did the water chemical RFP last year, the average cost increase compared to the prior RFP was 45% and some of those materials went up as much as 150%. That is impacting our water and we can't, there's nothing we can do, that's an uncontrollable cost.

Mr. Chavez stated and in the budget to that end, yes. So that's been factored in because we've seen those prices already and during 2022 and in 2021, so now that's the new reality. But as you relate to projects it's just as, temporary solutions that Ms. Couillard mentioned, those just stay on a little longer than expected. And if anything's critical, we discuss it and come up with an alternative plan to address it.

Commissioner Conrad stated thank you.

Mr. Chavez added, and to Ms. Couillard's point what we, particularly on transformers our purchasing folks have gotten, working with the manufacturers to get production slots. So we just get a set amount every certain period of time, like every few months we'll get a delivery of transformers. Where it used to be where we used to put a big order in and then get them in over time, now we're getting a production slot. So we are dealing with it, it's just we're kind of used to it, it's just not going back to the way it was before.

Commissioner Conrad stated I guess we won't run out of need for them.

Mr. Chavez stated no, no we won't. The new reality, everything is more expensive. Then went to the next slide and stated so this is just kind of in a waterfall. Just kind of looking at the green bar our revenues, the net purchased power of course is the next one, and then operating expense increases. So we were at slight of a loss last year and then we're at slightly bigger loss this year on an operating income standpoint. But that's really driven by the usages, the slowdowns that we've seen, and then the purchased power is elevated more than last year but things are starting to get better. And now that we go into the summer months, the volumes will pick up, the usage will pick up, revenues will increase, and it will definitely be a better story; which is what we see cyclically every year.

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

Mr. Chavez went to the next slide and stated so this is the same graph, or same waterfall, just we added on to get the net assets. So you see at the very bottom \$1.3 million of net assets at the end of March, was \$1.48 million or \$1.5 million last year. So same drivers except now we see, we add in interest earnings, we add in slight change in the mark to market and then capital contributions decrease which is consistent with what we're seeing in kind of the development, things are just naturally slowing down.

Mr. Chavez went to the next slide and stated okay, so, I know there's a lot of colors on this one but in essence where the arrow is pointing on your hard copy, right now that's our trend line for the purchased power. So we're at \$67.50 which is a decrease from \$70.46. You'll notice it's on a continual slope-ward, downward trend. If you look at the brown graph at the very top there, you'll see the nat. gas price and of course that was \$5.53 and now it's down to \$2.31. So we're starting to see it, nat. gas, coming back down for now, unless there's some macro-economic item, we expect to see it around those levels.

Mr. Bunch stated what was the peak that hit last year, Mr. Chavez, do you remember?

Mr. Chavez stated \$8, I want to say \$7 or \$8 MMBtu.

Mr. Bunch stated so it was almost four times what we're paying right now.

Mr. Chavez stated oh yes, and historically prior to the Texas issue and the Ukraine issue, natural gas had been stable between \$2 and \$3 for the longest time.

Commissioner Conrad stated okay, so we're down to where it was three years ago.

Mr. Chavez stated yes, and the purchased power of course is starting to trend in that manner as well. Then went to the next slide and stated so this is where we are currently, in an under-recovered position. Ideally our goal is for a future, maintaining customer service rates, we want to be in an over-recovered position. So if you look at the red line it is trending downward which is what we want, we're at a \$1.5 million right now under-recovered. But based on working with Mr. Beyrle and the rest of the group we expect to see, to be in an over-recovered position at end of this year going into 2024. So its trending in the right direction, it's \$1.5 million and it's a \$400,000 improvement from last month and \$900,000 improvement from October, the beginning of the fiscal year. So definitely heading in the right direction and we'll keep monitoring it and as such.

Commissioner Hawes stated is this the, and I may be mixing this up, is this the name, I guess, of the, last year I'm trying to remember when you had spoken about all of this. That we had been over-recovered so as rates rose, we were able to not pass that full amount on.

Mr. Chavez stated exactly, so when we did the rate study, we were in I want to say \$7.5 almost \$8 million over-recovered. That was prior to the Ukraine issue and a number of things, that was when natural gas was relatively stable. So we as part of the rate study, we in essence put in a negative fuel and purchase power adjustment. We bled that down to a

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

reasonable amount but then what happened was purchased power went up, nat. gas went up, so we then became in an under-recovered position. Now we're going back to targeting about a \$5 million over-recovery.

Commissioner Hawes stated so is it fair to say that our customers benefitted from this, but sort of a more of a...

Mr. Chavez stated yes, they did benefit because at the time of the rate study, when we did the new rates effective October 1st, we gave back, I think it was \$3.86 per 1,000 kWh. So now we had to increase the purchased power adjustment to build back that over, to build back to be in an over-recovered position.

Mr. Bunch stated and the way that makes itself evident is if you look elsewhere in the state, a couple of months ago some utilities had to raise their charge for purchased power up to \$80 in some cases, so ours is around \$20. We had that \$10 or \$10.5 million that we were able to use to the customers' benefit and until we made the one adjustment, we didn't have to make any others. But because they didn't have the fund and then waited perhaps too long to make the adjustment, they had to make it much higher. Which the difference between \$21 and \$80, it's about \$0.6 cents a kilowatt hour, our total residential charge is maybe \$0.12 to \$0.13. So for some period of time they're going to be paying almost 50% more than us to try to make up for the increase in fuel costs that they didn't have in the form of the reserves.

Commissioner Hawes stated it just seems like it's a great credit to everybody involved here on that side, because they don't feel this.

Mr. Chavez stated exactly, and we won't, our goal is to always look forward and make as little, you know customer adjustments as possible, make it once and then monitor it. I know in some certain utilities they're adjusting that fuel and purchased power adjustment sometimes on a monthly basis because they're trying to catch up, so we're not in that position.

Commissioner Conrad stated well our goal was to have, be in that over position by 9-30.

Mr. Chavez stated yes.

Commissioner Conrad stated and we are trending that way as I understand, and I've heard.

Mr. Chavez stated we are, I'm hedging my bets, but you know that's why I'm saying late 2023, but so just you know. And I believe I'm going to turn it over to Mr. Bunch for the metrics.

Mr. Bunch stated I want to say that Mr. Chavez and Mr. Beyrle make this look easy. They meet frequently and have a lot of conversations talking about it and so we've been talking about a term: soft landing in the economy. They did a really good job of making a nice soft landing here. Now is it going to bounce back, you know. Are we going to get the \$5 million as soon as we think, not really sure. But I think what was more relevant was we didn't have a hard landing or crash and needed to do an abrupt increase on the purchased power charge. So Mr. Chavez, Mr. Beyrle, I know Mr. Beyrle's not here, but thanks very much, guys.

(4-b) 1st Half FY2023 Balanced Scorecard and Enterprise Metrics:

Mr. Bunch then stated okay, real quick, I'll do the first and second quarter update on the key performance indices, our KPI's. If you look on this page which is eight, and then the next one Mrs. Simmons, nine. Lots of green year to date and the year end projections. So let's go to ten if we could and I'll give you just some highlights. So Safety & Risk, all green metrics, all three metrics are green, no additional OSHA injury cases in March and our days away restricted or transferred number which is due to one injury we had in the first couple days of October, is back in green and year to date for the year end projections. We had two minor vehicle accidents in March, both were slow moving in parking lots and just frankly the drivers misjudged clearance so we're doing some training on what we call slow maneuvering, getting out doing 360 walk-arounds, use of spotters, some very basic things, but none of these were injuries and certainly not even major damage to the trucks.

Mr. Bunch continued, on this slide Electric Reliability. I don't want to steal thunder from Julie Couillard because Thursday at the City Commission meeting, she's going to give us an update. But the first half of the year is our best on record, and I will say that its due to the work that's done through the Electric Reliability Improvement Plan. So year to date the average customer has seen 0.22 interruptions for the six months and last year that was over 1, probably 1.25 if not more, same period. What we're seeing is fewer interruptions, smaller interruptions, and just the ones that are remaining actually do require work to fix them. It's no longer just flipping a fuse, putting the breaker back in, so a little more time consuming on the repairs but nothing concerning. And again Ms. Couillard's going to cover all this, so not going to go into detail there.

Mr. Bunch continued on this slide, and stated Water Resources. The metrics are green for the month and year to date except gross water loss and that's only because of the timing and meter readings. Some months you have 27 days and some months you have 33 days. Last month was one of the latter, where you pick up more meter reading days in the cycle, so that will right itself.

Mr. Bunch went to the next page and stated switching pages, to eleven, Ms. Simmons. Customer Service, green metrics, and I want to just stop here a minute and make a comment that the metrics we see for our Customer Service are as good as any in the industry that I've seen. And in the last three years with some adjustments to operations we've also improved them notably. And it was only after some questions recently about business arrangements that I realized what the relative increase or improvements were. So our Customer Service level, this is the percentage of calls we answer within 60 seconds. Not the average answer time it's just on the average how many do you answer in 60 seconds. That went from about 85% three years ago to over 97%, I believe, for the month of March and year to date. And I've got to flip back to that real quick, 96.9% in March and 94% year to date; let's put my glasses on. The abandoned call rate during the same time has been reduced by about 50%. Three years ago was slightly over 4% and year to date 2.2%, and that is even considering some answering system problems we had earlier in the year. We didn't know it, but we had a computer glitch that was causing some issues that had only been recently discussed. And then lastly, our average speed to answer, which last month was 57 seconds and year to date, rather three years ago was almost two minutes. So we've literally cut that rate in half, and you say well how did

(4-b) 1st Half FY2023 Balanced Scorecard and Enterprise Metrics (cont.):

we do that, we have the same number of people answering the phones. If you go back to Covid you may remember that we closed the office to general walk-ins. Now appointments, things where people need to come into the office for various things, builder/developer things, we still accommodate. But between the combination of the phone calls we take, the drive-thru which is available to transact all the other Customer Service activities, and then the online functions, we've made and sustained those improvements. So while we've had some inquiries about have you considered opening back up, what we've learned is the very few people we were serving downstairs were taking up a lot of resources because instead of a two or three minute phone call, it was a 20-minute sit down. How have you been since I came in last month conversation and those folks tended to take up a lot of resources; so I just wanted to make comment to that.

Chairman Davenport inquired what's the abandoned call rate, not answered?

Mr. Bunch stated percentage of calls that if they're on hold, actually hang up. So let's say Chairman after two minutes you decide I don't feel like hanging on anymore, if you hang up that's 4% of the calls. I'm sorry 2. some percent, it used to be over 4%.

Chairman Davenport continued, and our average speed to answer is within one minute.

Mr. Bunch stated so the average speed to answer is in seconds, so that 57 seconds is the average answer time. It used to 107 seconds three years ago. And we actually have all the scorecards, because in 2019, I think around April, we started tracking all the, pretty much all the goals we have now.

Chairman Davenport stated I found it very interesting, your response to Commissioner Martin and her request about inside. And it made so much sense because when I get people to come into my office, especially in the summer, and a lot of them their utility bills they can't afford air conditioning that much. They come in and they will sit for literally to cool off and talk. And it really, and you've got to give the service but still it's taking away from the others. So made a lot of sense to me.

Mr. Bunch stated anyway, I hope it also answered your questions Commissioner Martin as well.

City Commissioner Martin commented (unintelligible from audience).

Mr. Bunch stated thank you. So things are generally going well, the Customer Service side in particular and we do get a lot of unsolicited thanks and compliments for the Reps. I was surprised in my first year here to learn how many of the, particularly the commercial customers know our people by name downstairs. They may not have ever met them, but they'll say I called and spoke to Denise or Pam, and they don't even know their last name, but they call them out by name and they still get friendly and personalized service.

Mr. Bunch continued, next Materials Management, we're meeting all the turn-around times but as this mentions the supply chain issues linger and we spoke about that a little while ago. I think the win here is Mr. Chavez' folks and our Materials Manager has done a really good job of staying ahead of things. So that's reflected I think as the auditors said last month in the

(4-b) 1st Half FY2023 Balanced Scorecard and Enterprise Metrics (cont.):

form of higher inventory, but I'll take that, realize there's a little bit of cost associated with that, but being able to build projects, put customers in service and make repairs I think is more important than carrying a couple hundred thousand or even a million dollars of extra inventory.

Mr. Bunch continued, cost goals for electric and water are on target. Our head count's down but that's not a bad thing, we're still getting everything done and we're actively recruiting for some pretty high impact positions. Then lastly on the I.T. metrics side we're green from March and for the year, and we've completed 84% of our cybersecurity awareness training, which is a big part of remaining secure. So those are the metrics for the month and year to date, a lot of green, things are generally in a good place and as I mentioned Ms. Couillard is going to do a presentation on Electric Reliability in detail Thursday, so I don't want to steal her thunder. Any questions on year-to-date metrics performance?

Commissioner Hawes stated a couple of things really leaped out at me from what you guys just presented. One was that you know it's, not quite the words for, unfortunate but we're having trouble getting some contractors do things, but we're aware of it.

Mr. Chavez stated no, then yes we are and we're planning for it. We're realizing that this is the new reality, and I don't see it, I mean none of us assume that it's going to go back to the way it was, so we're adjusting accordingly.

Commissioner Hawes stated yes. The second piece was just this whole set of KPI's and the things that we can see and talk about are very important and we get a feel. And the feel that I've had, and I've had it at other times as well, but it just seems to me that our customer base it's hard to make a blanket statement that they're happy because you know we don't know for sure, but it appears that we're giving very good service and its improving. And then secondly, Mr. Chavez, not that this is no small thing, is to cut some of that financial burden in a year like 2022 where it was so tough. So there are some pieces that I think come out pretty loud and clear when I look through this, so thank you all.

Mr. Chavez stated yes, and it's a great team effort. You know we, everyone, is focused and on the same page and we're all in alignment on the metrics, financial operational and the customer side, which is implicit. So I get emails positive, if there's an issue that as things come up we deal with it and we deal with it fairly and appropriately with the customer and with us, so we do our best.

Mr. Bunch stated not the supply chain, but I think it was related to supply chain, we had to shut down a project last year, the Beacon lift station reconstruction and sewer main project. We rebid that, we're getting started and the contractor that's on board has met in the field, has got a good completion date for the lift station and I think already by just having a higher quality contractor, that's going to go smoother. We had to do a legal settlement with that other contractor, they literally paid to get us off the system, precluded us from having a lawsuit, and Mr. Cloud's firm assisted us within that. And then in a prior year we had at least one other project that somebody didn't finish or just walked away from. So hopefully we've seen the end of those and we're starting to see a glimmer of hope with regard to projects starting on

(4-b) 1st Half FY2023 Balanced Scorecard and Enterprise Metrics (cont.):

time and getting good quality contractors in the mix. Years 2020 to 2022 were the most interesting and probably the most challenging I've had in my 35-year career in this business. I haven't seen those kinds of supply chain issues before and it seems to be righting itself slowly but not, not out of the woods yet.

Commissioner Kelly stated yes, regards to your materials management I think it's great. I mean we have parts issues, don't wreck your car. I'm telling you don't wreck it, it will be months.

Chairman Davenport commented you should be sitting on the end where you're going to pay and fix it.

Commissioner Kelly stated we've carried, to the audit point, our inventories are way high. Because if we can't get something we just take as many as we can get, and some of the manufacturers limit you now to a few.

Mr. Chavez stated because they know that's what you're going to do, you're going to hoard it.

Commissioner Kelly stated especially commonly, common items that fail or need replacing; so good job.

Mr. Chavez stated well, occasionally we'll get an email from other utilities asking for critical equipment or parts and we're like, uh. So we're clearly, I mean we definitely have made sure that we're ahead of the game in that regard because we don't want to be in that situation looking for or pleading for materials from another utility; so we'll keep it up.

Mr. Bunch stated thanks Mr. Chavez, appreciate it.

(4-c) Builder Developer Activity Summary:

Mr. Bunch then stated I'm going to ask Ms. Couillard to come up and give us an update. We're calling it an economic update but it's really our builder, developer and related activity update.

Ms. Couillard then stated good afternoon. After adjusting the microphone, Ms. Couillard stated just as a little bit of background over the last year my team and I have been monitoring what has been happening in the development area and how it impacts materials, when we get CIAC, and all of that. So just real quick, in January we saw in Daytona Beach News Journal the following items. One, home prices inched higher in Volusia County despite a sharp decline in sales, find that interesting. And then the number of homes sold January 2023 were down 33.1% from a year ago. And the timeline to close your house and get in it went from 13 days to 43 days. So when this came, I was talking to my team and I'm like what are we seeing, so I want to compare. And we are seeing the same decline in single family homes. Last year for the whole year we averaged about 555 new home permits or service orders and for the first six months of this year we received 139. So if the trend continues as we're seeing, we're going to be down about 35% in the number of new homes.

Ms. Couillard went to the next page (slide) and stated so these graphs I'm going to go over real quick but they are in the General Manager's Report every month, we put these together.

(4-c) Builder Developer Activity Summary (cont.):

The CIAC Funding for both easements and contributed capital, that comes from development. And we're lower than fiscal year 2022, and the lowest since fiscal year 2018. So basically, we're almost at zero contributed capital funds this year. The yellow slashed are two developments that we're expecting to close and transition to us – Copper Creek and the Oak Leaf Preserve, Phase 5, so that's about 189 homes. So that's pretty much what we're seeing on the horizon for this year.

Ms. Couillard went to the next slide and stated so the next two (slides) are leading indicators. One is New Housing Starts, and if you look at the graph, single family starts are in the like, I don't know 250 range, last year it was 650. That's trending lower and our trend is actually new housing starts are kind of flat or going down. On the next page is the average days to complete housing. Along with the CIAC payment we talked about earlier. And so single-family homes, they're running around 350 this year, last year they were in the 700 and then 2019 to 2021 were, I call them our boom years, they were much higher. So what we're seeing in our graphs and in our requests fits along with what's being reported in the public. Are there any questions?

Chairman Davenport stated so how long does it take to complete a house now compared to, say that again Ms. Couillard.

Ms. Couillard stated so, currently fiscal year 2022 housing completions was like in the 650 range, if you look at the graph.

Chairman Davenport stated right, got you now.

Ms. Couillard stated we are currently a little over 300.

Mr. Bunch stated but the days, the Chairman's asking about the days, it was 350 in 2022 right.

Ms. Couillard stated yes.

Mr. Bunch stated and it looks like it may even be higher this year, is that right. Maybe 375 (days).

Ms. Couillard stated yes.

Mr. Bunch stated four years ago it was 150 days plus or minus, 160, so it's more than doubled.

Commissioner Conrad stated well, the inventory is still up and the demand is down now. Nobody wants to complete any more than they have to and put additional costs into it.

Mr. Bunch stated, and I think resources, material availability, same things hitting us hit the builders, developers.

Ms. Couillard stated yes, they're taking a step, we talk with them all the time and they're taking a step back and looking well, maybe we do smaller phases over time. They won't put it in writing, but we understand.

Chairman Davenport stated it's a different world we're living in isn't it.

(4-c) Builder Developer Activity Summary (cont.):

Ms. Couillard stated sure is. Any other questions.

Commissioner Conrad stated thank you.

Mr. Bunch also stated thank you Ms. Couillard.

(4-d) Informational Response – Planning for E.V. Charging:

Mr. Bunch then stated in between meetings we had a question posed to us by Commissioner Smith, it had to do with E.V. Charging Infrastructure. So John McMurray is going to address some of the issues presented in an article that Commissioner Smith so nicely forwarded.

Mr. McMurray came to the podium and stated good afternoon. Commissioner Smith, you had asked some questions, had shared a document here, it's called "Planning for On-Street E.V. Charging Infrastructure". Thank you for sharing that, appreciate that, always looking for more information about the future and preparing for it. So this article talks about, and I'm going to just kind of summarize in about seven bullet points of key things that it's looking at. And one of them is the operational aspect of charging your vehicle and saying that there's a lack of chargers for certain types of homeowners, and these are renters and homeowners actually. So for the vast majority of people who own a home they can just plug in where they can install it in their garage, but for renters of apartments and also for condos. As we know I've presented at two different condo associations, that access is not easy and it takes a little bit more work, so that's something that we're trying to provide inside the City. We've coordinated with the City and laid out ten different, five different charging locations, each with two chargers. So that operational aspect of it is making electric vehicle chargers available to our customers and the community as a whole. As we're providing, we're ramping up with the electric vehicles that are coming and driving through our neighborhoods right now. So we've installed four locations, four out of the five are operational, we have eight chargers, and we also have about \$750 worth of revenue. It's not a lot but it's about just under three percent utilization right now and we think it's going to pick up over time. We're ramping up, we're trying to get out ahead of it, we're trying to stay ahead of it. We think it's coming and if you look at the charts and graphs, I'll be presenting on Thursday, you'll see the exponential growth going on right now with electric vehicles. It's a changing world out there. It's a simpler model, there's a lot of pluses and there's some minuses and people are making those decisions. But when they're making those decisions, we want to make sure we're supporting them, and electric vehicle charging is one of those areas that we're supporting.

Mr. McMurray continued, the article talks about parallel parking spots and it really focuses on making it accessible in the shopping areas that you have in downtown. And I will say in a big city it makes a lot of sense to have parallel parking because all the buildings are more vertical. Here we have parking lots, and we are fortunate because parking lots provide a general area to serve a lot of vehicles with one service point you can branch out very easily. In a green space area, where you have the footpaths, you avoid the footpaths because the footpaths are in the paved areas and we're in the green space area. So we can extend conduit and plug in more chargers and is very easy as compared to trying to install it inside a city limit. You've got paved parking, you've got sidewalks, you've got building abutting the sidewalks, so when

(4-d) Informational Response – Planning for E.V. Charging (cont.):

you're installing it in parallel parking you can only pick up two vehicles at one spot and then you've got to break more sidewalk flags or you've got to cut pavement, and then you've got to go down to two more. Whereas in a parking lot which the City, actually and I need to clarify this, in the very front end this is what I was suggesting is we look at parallel parking like this article says that you shared. But when we talked with the City, they said hold up, why don't you do it in parking lots and then we started to lay it out and look at it, makes a lot of sense because you can hit a lot more parking spaces in a short amount of runs in a very condensed area. So it's been working out very well for us and I will say we put in large enough conduit and we extended the conduit so that we can come back, and we can plug in more chargers without having to break concrete flags on sidewalks, without having to cut asphalt, we're in the green space right now, it's easy cutting over. All five locations have that green access. Coronado Center, actually its sand, so it's even easier.

Mr. McMurray continued and stated it also says in the article plan for growth. And what I did is I took the projections that are in the article and I spread it out and I took just a ratio of our population. And so with the projections that they're saying by 2030, its ratios, to about 200 electric vehicle chargers here, in the New Smyrna Beach area. Added 200 is a lot, is it really going to happen that fast, we don't know, but I will say that we're set up at each of these five parking lots to probably easily install ten chargers at each of the five parking lots. And without too much effort I think we can go to twenty electric vehicle charging spots at each of the five, so that's a 100 out of the 200 by 2030, I think we could attack and go ahead and install. So we could provide half of that solution that they're saying is going to happen by their projections, if it really does.

Mr. McMurray continued and stated the next point, Key Learning and Financials. So we installed, you know in reading through this article it talks about you know things that people learn and sharing what's been learned from California, other areas, and we're in a pilot right now. And we're looking at consumption, we're looking at a number of key learnings and we're also looking at consumer behavior. Where do they like to charge, what time of day, you know, how do we better serve the community with electric vehicle charging. And then the next point that they talk about is partnering with the National Electric Vehicle Initiative, and that's the NEVI, and I have an article here or the book, the NEVI book. And the NEVI book is very good, it talks from a national perspective about six different things, and its standardizing. If you can imagine we're going from our transportation, gas and diesel vehicles predominantly, and now we're going to electric. And we're going from gas stations to electric charging stations. We're still going to have both, the majority of the population they're not E.V. fans, just the majority is not, they're not there. And I know a lot of people that would say I'm not, I'm never going to an E.V. Okay, understand, but we've got to be prepared for the E.V.'s.

Mr. McMurray stated so that being said, number one is the installation. Through the times gas stations were installed and they standardized. You know cables, pumps and all this. Well on the charging side they're not standardized, there are all kinds of rates of charging, cable lengths, how you take, dispense your cable. So they're trying to assess and say is there a standard before we roll out several thousand more E.V. chargers here in the U.S., how do we

(4-d) Informational Response – Planning for E.V. Charging (cont.):

do that; so NEVI is doing that. We've partnered with a large company that our, we have Shell, which is globally, they have a lot of chargers especially over in Europe. So we think we're in a good position here with installation standardization. There's five other points, operations, maintenance, training, visible charging, visibility and charging, knowing where your stations are, and we've done that. Mrs. Fisher in Communications has produced a brochure, we've handed it out to the hotels on the beach to be able to tell them hey, share this with your guests who might have an electric vehicle, so they know where we are. It has information about our chargers and the rate and several other things. So charger visibility is very important and we're also on our Facebook, we're on our website. We are also at PlugShare which is what a lot of electric vehicle drivers are using, and so I think we're doing a good take on that. The last thing is the speed of charge and I think I spoke about that and it's also cost and the rate at charging. So those are things that the NEVI talks about and this article references, and I think we're addressing those.

Mr. McMurray stated in summary we're trying to inform the public and stay out ahead of it. Be an advocate for the changing course of transition from internal combustion engines over to electric vehicles, support it, because it means a little bit more revenue for us. Where it's at somebody's house or wherever, or their business, also if it's on the streets. We want to support that revenue, it's not a money maker right now but maybe in the future it will be. There's about a 10-year payback if all goes well right now, and we're hoping it ramps up. Okay, so I kind of rattled off a lot, did you have any questions, specific.

Commissioner Smith stated well, first place I appreciate the very detailed analysis and clearing up a couple of issues because I read, I read these articles and I wondered are we in tune with what they're talking about. And of course it was written by a planner, so you've got to know right off the back it's a little bit shaky, but I'm a planner. But the other part, there's another article in that same issue of Planning Magazine and it's about electric bicycles, which I don't know if you all thought about that much. But basically what they're saying is, according to Federal Highway is that 60% of the trips that people make during the day on average are within six miles of their home. And they're talking about how the electric bike can be a real godsend to cut down on number one, air pollution. And then also you know the energy consumption, you name it, can all be accomplished via people using electric bikes. The other part of the problem as I see it, I like about the electric, of course I'm a new owner of an electric bike, but the other part I like is you know we're talking about all these E.V. charging stations and building them and there's a significant investment and capital to build these and expand them. But you know I'm looking at Tesla, price of a base Tesla is \$45,000. Now maybe 100 years from now I'll be able to afford that but there's a lot of people who cannot afford electric vehicles. And the electric bike, which can be purchased, which I can guarantee for \$1,200, is an inexpensive electric vehicle. And I think we in all our planning, and especially you know like the City's, the Commissioner is here, the City's just can't get over this parking issue. And I understand it because I can't get down my street because of it but all things said you know an E.V., and electric vehicle bike, electric bike, you can put six of those in one parking spot.

(4-d) Informational Response – Planning for E.V. Charging (cont.):

City Commissioner Martin commented, and I have a few spots ready for you on Flagler.

Commissioner Smith stated but I'm just saying you can cut down on your parking, there's just a lot of things that the electric bike offers. Number one affordability, less pollution by all means, and I will say one other thing. And I hate to use this as a bully pulpit, but the City Commission made a big mistake, I think, when they allowed golf carts and allowed both gas and electric golf carts. Because gas golf carts have no emission controls whatsoever and they're polluters and they're noisy. And if you live on the beachside where I live, you get tired of hearing them racing by, but they should have kept it to electric carts. There's no way of fixing that now but planning for the electric bike parking areas and charging places for them which would be a lot less expensive I think is something I would be concerned about.

Mr. McMurray stated I agree with you, I think it's a great solution for downtown, for a community area.

Chairman Davenport stated I think it's a good idea what Commissioner Martin just said, she said she had something on Flagler Avenue. And you see all these electric bikes, I think if we had an area over there to charge the electric bikes, we can't forget those people because that's their mode of transportation. We notice them around town, we all notice them going 20-25 miles an hour, blowing by you and you're going goodness gracious that would be nice, and that's a major area where they know they could go. I'd like to follow up on that, where's it located Commissioner?

City Commissioner Martin stated there are little spaces between the, you know where the planting areas are along Flagler.

Chairman Davenport stated right.

City Commissioner Martin continued, you'll see areas between them that are too small for a parking space, for parking a vehicle. Some of them are just driveways...

Chairman Davenport stated right.

City Commissioner Martin continued, that are no longer operating, but they would be fabulous for bikes.

Chairman Davenport stated could we look into that.

Commissioner Conrad stated that's not ours, that would be the City wouldn't it.

Chairman Davenport stated no, that would be ours because we're putting in the electrical chargers.

Mr. Bunch stated we can work with the City.

Chairman Davenport reiterated work with the City.

Mr. McMurray then stated I'll bring it up.

Chairman Davenport stated I think it's a great idea, I mean.

(4-d) Informational Response – Planning for E.V. Charging (cont.):

Mr. Bunch stated yes.

Chairman Davenport added, I'm just concerned about the different plugs, but that would be their problem.

Commissioner Smith stated most of the electric bikes are basically wall plugs.

Chairman Davenport stated universal.

Commissioner Smith stated they're just basic wall plugs so you're plugging into a receptable basically.

Chairman Davenport stated I like that idea.

City Commissioner Martin then stated I'm laughing when you talk about, we haven't standardized on cell phone chargers and we haven't standardized on electric plugs from what 1900's. So my hope of getting across the board are not, probably not in my lifetime.

Chairman Davenport stated well, we'll ask Mr. Bunch to, we'll talk to the City because I like that idea because they're everywhere.

City Commissioner Martin stated good.

Chairman Davenport stated good idea.

City Commissioner Martin added, help me with it.

Chairman Davenport stated we will.

Commissioner Kelly stated Mr. McMurray, thanks for the presentation. I think your math was really good, I sit on more of these calls and all this stuff than I care to ever do, but it is evolving quickly. It's like let's build and then fix it as we go along and that's what they're doing with a lot of this, so the rollout is going to be much slower and to your point there's just not going to be some that want to do it. And the cost, because of materials which we are already experiencing is just, they're delaying models so that they can push them out further to add the costs to it. They don't want to build the 23's, they want them to be 24's because then they can go in and change the price if the year changes. So, and they're not trying to gouge the public, they're just trying to recover the costs of doing it.

Mr. McMurray stated yes, it's more expensive, when you're transitioning its going to be more expensive.

Commissioner Kelly stated but to your point with the spots I think that's good to be calculating and conscience of it because I think as technology goes along to your point its six miles or something somebody goes with a car during the day. You'll get, within seven or eight years, you'll get 800 miles out of these things on fast chargers, you know so.

Mr. McMurray stated its coming.

Commissioner Kelly stated yes, I think so. I know you study it, and you know it but that's, I really do think that.

(4-d) Informational Response – Planning for E.V. Charging (cont.):

Chairman Davenport stated I find it very interesting Mr. Bunch at our last electrical, “F”.., I can’t remember all the acronyms.

Mr. Bunch stated FMEA.

Chairman Davenport stated FMPA?

Mr. Bunch stated FMEA, the conference.

Chairman Davenport continued, and that was my most interesting presentation that they gave, were you there with me Commissioner Smith?

Commissioner Smith stated yes, I was.

Chairman Davenport continued, about the electric cars.

Commissioner Smith stated yes.

Chairman Davenport added it was fascinating, it was like are you kidding me, we’re going to grow and do this much. It was nationwide but it was very, very fascinating.

Mr. Bunch stated it’s happening and on like the highway, national level, things are starting to shape up as well. In January, Berkshire Hathaway which is Warren Buffett’s investment firm, took over a majority stake in Flying J Pilot fuel stops, truck stops, whatever you want to call them, they’ve got 650 centers nationwide. And they reason he’s done this is with the intention to electrify the charging in addition to gasoline and diesel sales, so beyond Tesla and beyond what other people are doing, the big investment companies are starting to jump in with the E.V. revenue expected to come out of those investments. And I believe I read his investment was \$8 billion dollars, not a small amount of money.

Chairman Davenport stated well, it sure was a fascinating presentation and I’m looking forward to again this summer. Okay, anything else for Mr. McMurray.

Mr. McMurray stated thank you.

Chairman Davenport stated thank you Mr. McMurray, very good.

Mr. McMurray then stated I had just one last statement, so 7% of all new vehicles were electric vehicles in the first quarter of this year. If you go back five years ago it was negligible it was almost like if you were talking electric vehicles five years ago people said you’re wasting my time. But now people are starting to realize it’s starting to pick up, so anyway thank you very much, appreciate it.

Chairman Davenport stated okay, is that all Mr. Bunch.

Mr. Bunch stated yes sir, that’s it for General Manager’s Report.

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

Chairman Davenport stated item number 5. General Counsel Report.

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

Mr. Cloud stated I just want to report it appears that House Bill 1331 and Senate Bill 1380 are not going to make it, looks like they bit the dust. I think that a lot of different cities were starting, weighing in with their local legislative delegation. The best way to go about doing that is what we did and that is to get the City Commission to communicate their thoughts, because the City Commission represents the entire City and that's where transfer payments go and of course, they were the ones that were looking at the gun. And so weighing in with the local legislative delegation really and truly, who else is going to listen to you, it's got to be the local legislative delegation because that's what representatives are, they represent a geographical area. It also helped that we had some other Senators weigh in, the Senate this year seems to have, as it's a little slower to accept some of the stuff that you know is coming out of the House. I mean not always, there's still some jump the shark moments this year for the Florida Legislature but at least on this issue they just let it be. Except for Gainesville, Gainesville's got a local bill that provides for gubernatorial appointments of their utility authority. It is not a good, it's really not good policy, it is certainly not creating representation for those outside the city customers, it's just one more, one size fits all, and hey, let's let the Governor run it. That's not how its supposed to work, okay, but you know when you're, when you believe that you have revealed truth for everything, I guess you know there are no limits. I'm just thankful that he didn't decide to glom onto this issue. I think we're, the cities within Florida that have electric systems are the better for it. I believe that the Senate recognized that. It's not over yet, you know there's still a week, at least a week where this thing can go off the rails, but from what we have been told, it's not going to go anywhere this year, so we just need to remain vigilant. That's the only thing I have to report.

Chairman Davenport stated thank you.

Mr. Cloud stated yes sir.

Commissioner Smith stated one comment Mr. Chairman.

Chairman Davenport stated yes sir.

Commissioner Smith stated this is, everybody got a copy of this.

Mr. Bunch stated I'm not sure which one you're alluding to Commissioner Smith.

Commissioner Smith stated 2023 Florida Legislative proposals.

Mr. Bunch stated yes.

Mr. Cloud also stated yes, that was last month.

Commissioner Smith stated last month, I just want to thank Counselor for putting this together. It really does explain it, and he does use a similar phrase that I use when he said, "nothing however can be relied upon as long as the Legislature is in session".

Chairman Davenport interjected amen.

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

Commissioner Smith continued, which is a scary thought but that's the old nobody's safe as long they're in session. But I appreciate it, this was a very well, it explained the issue very well, thank you.

Chairman Davenport stated okay, thank you Counsel.

Mr. Cloud stated yes sir.

(6) Old Business:

Chairman Davenport then stated item number 6., any Old Business, Commissioners.

(7) New Business:

Chairman Davenport stated okay, moving on, no Old Business. Any New Business Commissioners. Then stating no New Business.

(8) Possible Other Business – Time for Commissioners:

Chairman Davenport continued, okay, item number 8., Time for the Commissioners. Commissioner Conrad you want to go first.

Commissioner Conrad stated I think Mr. Bunch is going to give us an update on the Workshop.

Chairman Davenport stated oh, 8-a., I'm sorry.

Mr. Bunch stated well I can do that after we see if the Commissioners have any other items.

Commissioner Conrad stated okay, I have nothing.

Chairman Davenport stated okay, Commissioner Kelly.

Commissioner Kelly stated Chairman I do, I would like to again compliment them on the managing the material type thing, balancing the cost to the citizens in that fund because its so volatile out there, pricing and everything else like that. We experience a lot in the business, so I think it again on you guys side that's a great job and its good forecasting. You know and the meetings get tedious and stuff, but forecasting is a big part of the business, so I commend you on that. And on Customer Service, like I'm probably on three or four social media sites for neighborhood associations and its purely for entertainment. If you want to have some good entertainment because you've got the protagonists and the antagonists on there and they just go back and forth. But for the utilities, you know just watching it, it seems to, from four or five years ago, its quickly faded into almost nothing to where we have defenders of the quality of service that you get. So anyway congratulations, on the Customer Service end of it, that's really fabulous you know. Thank you.

Chairman Davenport stated Commissioner Smith.

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

Commissioner Smith stated thank you, yes, I was looking at the agenda for the Joint Meeting with the City Commission. I had one concern, there's really, according to this agenda I didn't see it really any time for Commissioners to talk to Commissioners. Which I thought was kind of a part of what this meeting was about, for us to raise issues and discuss things with them. I know item 5. it says additional topics, but it lists the Mayor, the Chairman, the City Manager, General Manager-CEO. I would just suggest that you know that the agenda be revised to reflect and Commissioners.

Chairman Davenport asked Commissioner Smith where he got that agenda.

Commissioner Smith stated it came in my email.

Chairman Davenport then stated all right.

Commissioner Kelly stated they sent us an email.

Mr. Bunch stated its certainly possible, feel free to bring up topics during that time. It wasn't meant to exclude the Commissioners, but I see what you're saying.

Chairman Davenport stated I think it would be nice to add that in case there were, both sides.

Mr. Bunch stated the agenda has been published, do we, can we send that in a revised agenda, is that possible.

Mrs. Simmons stated to try to make it clearer. The stated Additional Joint Topics is for everyone and then and/or Closing Comments is where the Mayor/Chairman and City Manager / GM-CEO came in. You want that to be clearer?

Commissioner Smith stated I understand what you're saying. You understand where I came from.

Mrs. Simmons stated yes sir, I do.

Commissioner Smith stated okay, that's good.

Mrs. Simmons stated so you want to try to reissue it or ?

Commissioner Smith stated no, maybe we just at the meeting, you know you always do additions, corrections, deletions.

Mrs. Simmons stated right, then when you open it just make sure all understand.

Commissioner Smith stated that's what I would suggest.

Mrs. Simmons stated okay.

Chairman Davenport stated okay. Commissioner Hawes?

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

Commissioner Hawes stated well, just one quick comment, I was in St. Johns U.S. Virgin Islands last weekend.

Chairman Davenport stated we're all jealous.

Commissioner Hawes stated yes, and they got hit very hard by Hurricanes about five or six years ago, and so of course I took long looks at a variety of things including their fiberglass utility poles which I thought was nothing but fascinating. Their water treatment, every citizen gets their water by rainwater that they capture in a cistern. And then other places have desalinization plants and so I guess I never thought about that stuff until I got involved with this place. But it was very interesting to see their water treatment and just how they go about it, I'm glad we're where we're at; so thank you.

Chairman Davenport stated all right. I find it interesting what you said about the neighborhood, how you get the word out. I got a text from my neighbor, night before last, and the biggest coyote was in her backyard, right here on Riverside Drive, looked like a German Shepherd it was so big.

Commissioner Kelly commented I've seen them.

Chairman Davenport stated and I'm like, my next-door neighbors got this but it's good to let things know and they do go back and forth, it is entertainment. I don't have time to read that stuff though. I just really appreciate this organization, Mr. Bunch, since you've come on. And I sit here, and I go through and its clear to me, it's transparency and you've got the numbers in front of you, you've got, I mean it's so far, I got to thinking and I don't mean anything about the past, but I've got to talk about it a minute. The past, when you get down to answering the phones in 60 seconds, you're talking answering the phone, you're talking Customer Service, that's right. And when I first came on here, this would have been, I wish some of those people could see how this organization is, I hope they're watching to see how its being run now. It is run like a well-oiled machine around here and the trust and respect is so important. And of course we all have a lot of liability setting here and we all do, so its comforting to know that you've got some great people running a great organization, so thank you. That's all I've got to say.

Mr. Bunch stated thank you Chairman, and Mrs. Danielle Wood in the back, I'll ask her to raise her hand, she's the Manager of Customer Service, does a great job.

Chairman Davenport stated excellent job.

Commissioner Kelly additionally stated great job.

Mr. Bunch continued, along with Mrs. Ellen Fisher next to her, who's the Manager of Customer Communications.

Chairman Davenport stated and that's another thing, I think it's great that you are here at this meeting to hear it, so thank you for taking the time. Okay, if nothing else, Mr. Bunch.

ADD-ON (8-a) GM-CEO – Review-Topics Listed on 4-27-23 Jt. City/NSBU Mtg. Agenda:

Mr. Bunch stated real quick, I just wanted to cover the agenda topics for the Thursday Joint Commission Meeting. I've had a couple of meetings, at least two in person and a couple of phone calls with the City Manager over the last two months and we've cobbled together probably six topics that we thought were of interest to the Commission. Some things we've talked about before, some things are an update, but we're going to revisit the Septic to Sewer presentation that was done last year, Ms. Julie Couillard was the joint lead on our organization with that. So Mead & Hunt is going to come in and do a short version of that realizing we've got some new Commissioners and a Mayor on that side. And I'm not sure if all of our Commissioners were here when we did the presentation last year, did you see that.

Commissioner Kelly stated I saw it.

Mr. Bunch stated Commissioner Kelly saw that so it would be for the benefit of the new folks, but then potentially resurrect some of the partnering opportunities that might exist with those projects. The City's going to do a presentation on their capital improvement projects including things they're working with our folks on, and the City Manager's got their CIP Project Manager that's going to give that presentation. Ms. Julie Couillard's going to give an update on the Electric Reliability Improvement Program. We're going to talk about the options for this building, the Central Office Building as well as the Fleet and Field Operations Building. We've done some additional analysis since we last got together and as we've talked, we want to give the City a chance to weigh in, especially on the disposition of this site, this building. Is there a higher, better use envisioned and if there are any City plans that we need to be aware of as we move down the road of trying to figure out what we want to do with this building, also the Western Complex land development. Next, John McMurray is going to give us an update on our Modernization Program progress, additional things coming down the pike. May be familiar to you but three of the five City Commissioners and Mayor have not seen that. And then lastly Joe Grusauskas, the Water Director's going to give us a brief update on Water Sustainability projects. And then discussion around that, so it won't just be a presentation, we'll give everybody a chance to comment and if Commissioners, Chairman, Mayor, has any questions, the same goes. And then per Commissioner Smith's question, we'll open it up on section five, give people a chance to bring up additional objects, I'm sorry, additional topics from either Commission.

Chairman Davenport stated so we are going to brief them on our study of the Western Complex if you will.

Mr. Bunch stated and the cost options that we discussed, yes. So multiple options, some less expensive than others, some very expensive and I think its healthy for both Commissions to be able to get some light on those costs that we discussed.

Chairman Davenport stated let me ask Mr. Chavez something, did we do any research on that mitigation at FEMA, with helping us. Because we're in a hazard area and I talked to County, head of Coastal (Division), Jessica Fentress (Coastal Division Director), great lady. And she came up with the idea when I met with her and the Assistant County Manager a few weeks ago about Hazard Mitigation, and I called you on it and they were going to research it. But because we're here in a flood plain in this area and if the water were to get up, we'd get three

ADD-ON (8-a) GM-CEO – Review-Topics Listed on 4-27-23 Jt. City/NSBU Mtg. Agenda (cont.):

feet of water in here, we couldn't operate. And FEMA, we're major utilities so there's grants out there to the tune of \$20 - \$30 million.

Mr. Chavez stated so what we are, that's a good point, so I'll answer in a couple of different...

Chairman Davenport continued, to move out west, you know for grants to build new buildings and stuff to get out of the hazard zones.

Mr. Chavez stated so just to clarify, right now with the FEMA restoration side of it we're focused on right now just on the getting the money, getting the process and the approval for the restoration. The mitigation money, at least in this current path with the FEMA reps. that we're working with, it's fairly difficult and it takes, it can take several, for lack of a better word, several years. Now with the grant writers that we're working with, Balmoral Group, we are looking at other opportunities directly related to mitigation that may not be FEMA related but it would be under Grants.gov. So we're looking at a number of different areas. What happens when we were dealing with FEMA specifically on, they bring up mitigation, what they don't indicate and kind of they make it seem like it's going to be a rubber stamp, it isn't, none of it is. I mean it's a challenge just to get them to approve our restoration requests. So when they lock up mitigation, it's almost as if we have to spend a significant amount of money before they will do anything. So we're focused kind of on the short-term of getting the dollars for the restoration that we've expended and then what we're doing is looking at several opportunities for grants as it relates to mitigation of other. Like for example we just finished a grant for grid renewal, grid reliability improvement plans, so we just submitted that one. And we're considered a small municipal utility, so we've put in a grant for that. So we're working that pipeline, but it does take time and we're trying to pick the things that make the most sense; so we're still following up on those items.

Mr. Bunch stated well, so what was the amount of that request Mr. Chavez. Was it \$13 or \$16 million.

Mr. Chavez stated \$13.

Mr. Bunch reiterated \$13 million.

Chairman Davenport interjected that's what I like hearing.

Mr. Bunch continued, what I would like to do if we can get the name of the person you know Chairman.

Chairman Davenport stated at the County level, yes.

Mr. Bunch continued yes, we can have a conversation with them and perhaps our consultants and say okay, for either this building or these projects could they potentially fit in and if yes, help us.

ADD-ON (8-a) GM-CEO – Review-Topics Listed on 4-27-23 Jt. City/NSBU Mtg. Agenda (cont.):

Chairman Davenport stated he called me Mr. Bunch, and what we'll do, Mr. Chavez you call me, I'll get back with him because he's at the top over there, he administers the grants. The Assistant County Manager told me about it when we were talking about our utilities. Talking about we don't know if we can build it with the expenses of it. He said well, there's money if you can find it, so.

Mr. Chavez stated no, and that's a good point, so for example we just had our update call, we have it every other week or every week with Balmoral Group. So there is a septic to sewer potential opportunity of grant money out there, what our consultant is putting together is a summary. We as a utility are not eligible to participate directly in it but we were, Ms. Couillard and I are going to reach out to the City to indicate that there is, these opportunities as it relates to septic to sewer and specific grant dollars.

Chairman Davenport stated well, my goal was when I came on this board was, I was hoping to help get Silver Sands on sewer. That would be like okay, check, bingo you did it, we did it. But that's needed so bad because it's just going into the river down there, that's what's it doing.

Mr. Bunch stated so that would be the County. So we've talked about both, we've talked about Silver Sands and we've talked about one of the City projects, Aqua Golf.

Mr. Chavez stated yes.

Mr. Bunch stated and we can discuss that with the Joint Commission on Thursday, but we would just have to go through the City and then the County for Silver Sands for the grant request because as Balmoral's told us we can't apply directly for either of those.

Mr. Chavez stated but to your point, if, I'll give you a call and we can, I'll reach out specifically to your contact.

Chairman Davenport stated we'll follow up on that, thank you.

Commissioner Smith stated can I support that, one issue you raised about mitigation monies. As a former employee of FEMA and the Florida Department of Emergency Management, I can't pronounce the names but anyway and I dealt with mitigation. And I can tell you if you looked around town and you see these houses being elevated on the beachside, that was submitted five years ago.

Mr. Chavez stated yes, and that's exactly...

Commissioner Smith continued, and that's how long it took to get the monies transferred too.

Chairman Davenport stated gosh, it has been five, four or five years.

City Commissioner Martin stated so we still have to collect yet, I'm actually in that 2017 program.

ADD-ON (8-a) GM-CEO – Review-Topics Listed on 4-27-23 Jt. City/NSBU Mtg. Agenda (cont.):

Mr. Chavez stated yes, see.

City Commissioner Martin added, and the City has to front end all the money.

Mr. Chavez stated yes.

City Commissioner Martin continued, and when the project is completed, we then go back to the State to receive the money, so we are talking functionally a decade.

Mr. Chavez stated and so that's the hidden side of this that they don't, so you hit it right on the head because when we were working with FEMA on the restoration activities, they kept trying to divert us to this mitigation. We were like, timeout, we need the funds on this because we know even if we get approval, it will be several years before we see any money in the restoration. And to your point on the mitigation side, yes...

Commissioner Smith stated its absurd.

Mr. Chavez stated yes, the timelines are just huge. But thank you, that's good.

Chairman Davenport stated thank you Mr. Chavez, appreciate it. Anything else from the Commissioners. Mr. Bunch?

Mr. Bunch stated no, we'll try and keep the presentations brief, to about ten minutes each but I think there will be a good bit of discussion. I'm thinking we'll be lucky to finish in two hours but if its healthy conversation between the two Commissions then that's the purpose of getting everybody together.

Chairman Davenport stated well, I think it's a great thing we're doing. Okay if nothing else, I call this meeting adjourned. If I can get a motion to have it adjourned.

Commissioner Smith stated so moved and Commissioner Hawes seconded.

Chairman Davenport then hit the gavel and stated adjourned.

There being no further business to come before the Commission, the Regular NSBU Meeting closed at 4:20 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.}