

UTILITIES COMMISSION MEETING

August 26, 2019

Attending: Chairman William Biedenbach, Vice Chairman Jack Holcomb, Secretary-Treasurer Lillian Conrad, Lee Griffith And Assistant Secretary-Treasurer James Davenport; General Manger/CEO Joe Bunch And General Counsel Thomas Cloud

CONSENT AGENDA

- Developer's Infrastructure, Capacity and Inspection Agreement for Turnbull Shores/Westwood Avenue Extension. Vote - Approved Unanimously.
- Implementation of a Community Relations Policy. Since there is no such policy, it was proposed that by having such a policy, it would show that the UC is proactive. Vote - Approved Unanimously.
- Balancing Area Authority Program – UCNSB and FPL. There are only 66 “Balancing Areas” in the nation. This would be a transmission plan with Florida Power & Light that would allow for risk compliance. It was recommended by the staff that we proceed with payment of \$5,000 (administrative fees) for a tenure of 6 months to determine if it is viable. Basically, it will de-register the UC and it will become part of FPL for risk compliance. In the past, there had been penalty fees when the utility was not in compliance.....very expensive. Vote - This was approved unanimously.
- FINANCIAL STATUS – JULY, 2019. Staff reported that there has been a positive change in net assets of \$2.1M for July with YTD of \$12.9M. Capital expenses for July were \$1.9M with YTD of \$10.8M. For the 10 months thru July, the utility had \$49.5M in revenue which is \$316,000 better than last year. It was noted that by having the newly remodeled Publix store “offline” during the remodeling phrase as well as “fewer” hot days than last year, we were still ahead in revenue. Also, reclaimed water is up due to recent dry conditions and customer growth is positive.
- Balanced Scorecard and Enterprise Metrics for July. GM Joe Bunch reported that most metrics are positive. The negative metrics were primarily water-related due to our “aging” infrastructure i.e. Meters, seasonal effects due to increase chemicals in June/July. The tight labor market is currently affecting hiring for vacant positions, but the utility is holding out for the right person for each vacancy. The utility has been proactive in changing negative metrics such as improving customer wait time and isolating telephone customer service staff from staff who serve the customers who walk into the office.
- FY2020 Strategic Business Goals – GM Joe Bunch hopes to have this for actual review in December or January with the addition of septic in-field studies. Commissioner Davenport wants these goals shared with the community. Commissioner Holcomb commented om the utility is using social media to explain “power outages.”
- Cybersecurity – Informational Status Update. Staff gave a very informative overview of how the utility is being proactive. With 180 personnel, they are three times more likely to be attacked. 70% of the utility have completed Cybersecurity Awareness training and 80% of employees participate monthly in an “evaluation” test that grades their training. Also vendors are no longer able to use the utility network as 63% of all cyber attacks are traced to 3rd party vendors. The utility is partnering with other utilities in

FL to help with identifying and fixing any cyber attacks. The cyber security will be part of the 2020 Scorecard. Note that the utility has their “own” network at this time. In addition, the current cybersecurity plan is being considered as a “pilot” program for other utilities!

OLD BUSINESS

- Grid Modernization Plan – FMPA Master Services Agreement/Quanta Technology, LLC. This involves spending \$191,000 to the consultant (Quanta Technology) for determining the investment for the grid modernization by end of this year. Vote – Approved Unanimously.
- Water Resources System Operation Assessment and Optimization Plan – Stantec Consulting Services, Inc. The \$290,000 fee is for a study to integrate “water” into the plan for improving efficiencies, decrease costs through technology and operating more efficiently. Per staff, 70% of capital expenditures in last 12 years were water related. Return on Investment will be huge, per Commissioner Davenport. Vote – Approved Unanimously.
- Selection of Rebranding Consultant (Essence Partners) – Staff reviewed the potential hiring of the consultant, Essence Partners, at a cost of \$93,000, not to exceed \$98,000. The result will be how our customers views the utility as to our mission and values. This will re-define our utility. Commissioner Holcomb asked why this is needed since we do not have competitors. He flatly stated it doesn’t make sense to spend this kind of money. Commissioners Davenport and Biedenbach both agreed. Decision by GM Joe Bunch was to “defer” this subject.