

Utilities Commission Meeting November 25, 2019

Commissioners Present Chairman William Biedenbach, Secretary-Treasurer Lillian Conrad, Vice Chair Jack Holcomb, Lee Griffith, Asst. Treasurer Buddy Davenport (via telephone.)

Staff present Counsel Thomas Cloud and General Manager Joseph Bunch, Director of Finance Efron Chavez **Others present** Toby Wagner, consultant to the UC and President of Southeastern Investment Securities, Inc.; Hilltop Securities Managing Director Mark Galvin and Director Joel Tindal, as well as City Commissioners Hartman and Kolody in the audience.

3. Approval of Consent Items

b. ITB No. 23-19 – North and South Entry Ramp, Central Office Building (Recommend Award to DJ Haycock Construction Co.) , **Tied to item “g”** Discussion concerned the new 27,000 sf office building and other developments slated for the Western Utility Complex (WUC) site, as recommended by consultants (see *UC 11.13.19 Workshop Presentation*). Jack Holcomb urged the Commission to move forward quickly to avoid additional expenses at the existing office building location.

Approved unanimously

c. ITB No. 03-20 – Construction Crews for Electric Distribution (Recommend Award to Pike Electric, LLC). Lee Griffith asked if work was budgeted; Staff: maintenance work on electric distribution plant part of in 2020 budget; Pike Electric is the favored bidder. **Approved** unanimously

e. ITB No. 24.19 – Warehouse Storage Building (Recommend Award to Weschmark Construction Corporation) **Approved** unanimously

f. Ratification – Emergency Expenditures (Supplemental) – Hurricane Dorian

Approved unanimously

g. Western Utility Complex – Formal Approval of Selected Land Use Recommendations

Approved unanimously

h. Electric Operations System Upgrade Project. **Approved** unanimously

i. 10th Street – Phase 2 Roadway Improvement Project – County of Volusia

Approved unanimously

j. ITB No. 04-20 – Electric Switchgear (Recommend Awards to Gresco and Stuart Irby)

Approved unanimously

4. General Manager’s Report (presented by Bunch, Chavez and T. Wagner)

a. Financial Status – October 2019 reported Capital Expenditures were \$1.0 M—\$0.6 M lower than September. **Capital Improvement Plan** \$149.5M in place for grid and water modernization improvements and the Western Utility Complex Development and Building. **Debt Financing Plan** was then presented and Staff requested Utilities Commission approval to proceed with the 2013 (A&B) \$15.3 debt refunding, and the issuance of \$65M in new bonds to be underwritten by Hilltop Securities. **Approved** unanimously, with stated hopes for City Council approval by February. Marketing of bonds could then begin in March.

b. Balanced Scorecard Stats and Enterprise Metrics All stats good except Customer Service due to some calls not being answered in 60 seconds. To rectify, will hire another C S Rep is in progress.

c. Vehicle Design Standards (Central Services/Fleet & Facilities Management) Goals include fewer diesel vehicles in the light/med class; adding electric vehicles; use of hybrid technology on bucket trucks to eliminate idling emissions allow bucket to operate; additional standard safety features on every vehicle. 40% of fleet is past its useful life.

5. General Counsel Report

a. Redrafting of Williamson Extension Agreement with County will grant an easement rather than property rights.

b. Redrafting Communications Tower Lease

c. 3 lawsuits (ATT, High Power and Massey) moving forward. Massey is in final negotiated agreement stage.

6. Old Business: 2019 Utility Rate Study Proposal from Raftelis Financial Consultants, Inc. to encompass all of the Commission's utilities-electric, water, reclaimed water, wastewater systems, and include preparation of a financial forecast/rate study from 10/1/2019 to 9/30/2024. Mr. Holcomb asserted efforts to stave off rate raise, but an increase is inevitable. Previously, after 2012 Rate Study, water rates were raised but not electricity. Approval to proceed – **unanimous**

7. New Business Discussion regarding the need for a workshop with the City sometime early in the new year, and a decision that Utilities Commission staff would reach out the City staff to schedule it.