



## PRELIMINARY OPERATING BUDGET AND CAPITAL IMPROVEMENT PLAN

FISCAL YEAR ENDING  
SEPTEMBER 30, 2021



# 2021 BUDGET



Utilities Commission,  
City of New Smyrna Beach, Florida

*A component of the city of New Smyrna Beach*

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To: COMMISSIONERS,  
UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA

Date: May 26, 2020

### ***A Brief Overview***

This budget document is submitted in accordance with the provisions of Special Act of the Legislature Chapter 67-1754, as amended by 85-503, Laws of Florida, Chapter 15, City of New Smyrna Beach Charter, and Utilities Commission, City of New Smyrna Beach (“Utilities Commission”) Resolution Nos. 28-78 and then 2020-02, after the planned issuance of municipal bonds and refunding in 2020 (“Series 2020 Bonds”). The proposed Utilities Commission (UC) budget for the fiscal year ending September 30, 2021, reflects the revenues and expenses necessary to maintain quality of service to existing and new customers. The budget represents the financial forecast and guide for the Utilities Commission in the coming year.

The budget includes all expenditures and proposed capital improvements, as well as revenue projections based on actual historical consumption data. The expenditures section includes the Operation and Maintenance (O&M) expenses and the approved Capital Improvement Plan (CIP) forecasts, which are a compilation of Unrestricted Renewal and Replacement (R&R) and the Restricted Renewal and Replacement (RR&R) Funds. The purpose of this document is to provide a complete overview of all financial expectations for the Utilities Commission.

Currently, the COVID-19 pandemic is impacting the U.S. in varying degrees. In response to COVID-19 and to assist our customers in this time of need, the UC temporarily suspended disconnections, late fees and the Fuel and Purchased Power Cost Adjustment Clause (FPPCAC) along with active accounts receivable monitoring to ensure no negative impacts to the UC. Despite the pandemic’s national and international impacts, the UC’s operational usages and volumes, reflecting largely long-term stable residential customer base, have not been negatively impacted – usage remains strong at this time. In addition, new residential and commercial development continues along with year-over-year customer growth. On Monday, May 5<sup>th</sup>, 2020, the state of Florida enacted Phase One of its Return to Normal Operations Plan which was coordinated with Federal and State guidance.

The Operating Budget and Capital Improvement Plan are supported by a detailed prioritized risk assessed capital plan incorporating the Master Plans; existing electric, water, and wastewater\* systems (wastewater includes reuse/reclaimed water system), projected growth, usage over the next year, initial electric and water systems optimization study results, and criticality of the project to the UC’s infrastructure. Factors which affect revenues include customer growth, weather, and usage. Even though future recessionary pressures to the UC are expected to remain at relatively low levels, new customer growth remains conservatively forecasted and reflected in the respective revenue budgets. It is difficult to project the

weather and customer usage, so the plan is based upon multi-year historical trend estimates. Changes in the weather pattern over the past several years have impacted revenues. These trends have been recognized in projecting 2021 revenues that are approximately 1.8% higher than those in the 2020 Budget.

All departments continue to budget for their O&M expense in a prudent manner, focusing on maintaining the integrity of the system while continuing to provide excellent customer service in a cost-conscious manner. Operating Expenses, including purchased power, are budgeted to decrease this year by approximately 2.1% from the previous year's UC 2020 budget, driven by lower purchased power partially offset by normal cost escalation and related costs, such as an annual 2.5% wage escalation and approximately 10.0% increase in employee pension and benefits (driven by salaries and healthcare trends). The 2.5% budgeted UC wage escalation was part of the IBEW Local 2088 contract negotiations and was previously approved by the Commission. The proposed 2021 O&M budget will allow the Commission to continue to effectively operate and maintain essential water and electric utility services for our customers and the community.

The 2021 Capital Improvement Plan reflects the second year of the new and enhanced capital budgeting methodology. The budgeting approach developed during 2019 incorporates each project's risk profile [impact to the UC's existing infrastructure and probability of occurrence], work category (i.e. preventative and corrective maintenance, reliability performance, interagency, etc.) along with a monthly spend forecast for the first two years, and annual spend projections for projects longer than 2 years in duration.

In late 2019, the UC determined that the municipal finance markets reflected a historically low interest rate environment which could provide an opportunity for the UC to refund (refinance) its existing debt for interest cost savings and provide additional required capital through the issuance of municipal bonds in 2020 ("Series 2020 Bonds") to ensure sufficient capital funding for the UC to continue to provide low cost and reliable utility services. To prepare for the bond issuance, the UC established a Financing Team consisting of; a financial advisor, outside counsel, underwriter, and UC personnel to investigate an opportunity to issue the Series 2020 Bonds at historically low interest rates.

The UC Financing Team developed the regulatory required materials to position the UC to enter the municipal bond market. As part of this effort, the team prepared a Preliminary Official Statement (POS), and met with two ratings agencies to set the stage to eventually execute a bond sale and issuance. The Official Statement is the document used by the issuer (UC) and the underwriting firm, Hilltop Securities (HTS), to offer the Series 2020 Bonds to potential buyers and essentially protect investors' interests by providing the information deemed necessary under federal regulations and consistent with standard market practices.

To support the bond issuance process, the UC received ratings from both Moody's Investor Services and Fitch Ratings. Moody's issued a rating of 'Aa2', and Fitch issued a 'AA'/Stable to the UC - both ratings reflect a high-quality municipal utility provider with minimal risk. As of May 2020, the UC is prepared to enter the municipal bond market once market conditions stabilize. The proceeds of the Series 2020 Bonds will be used to refinance the existing Series 2013A and 2013B Bonds and obtain \$65 million in new capital.



## Key 2021 Budgeting Factors

- The Utilities Commission management team developed an overall strategic Vision, Mission Statement and Core Values which represents the ongoing commitment and focus to the community of New Smyrna Beach (NSB) to safely operate and maintain essential utility infrastructure and provide reliable services through operational excellence. This Vision and Mission mandate how we operate and drive the appropriate budgetary considerations [O&M and capital] consistent with this Vision. The 2021 budget is the second year to reflect the enhanced Vision and subsequent budgets will be developed to further incorporate the strategic direction of the UC. Now in its second year, the revised Capital Improvement Planning process is a direct result of the UC's strategic Vision, Mission and Values.
- As stated above, the UC is prepared to enter the municipal bond market in 2020, to leverage the historically low interest rate environment, refinance existing debt and to obtain \$65 million in new capital. In anticipation of the upcoming Series 2020 Bonds, the UC reflected the estimated Series 2020 Bonds' debt costs in the 2021 Budget.
- Revenue projections are based on actual historical data and forecasted future customer consumption. The current approved utility rates were utilized in the preparation of this budget for all services. The Commission approved a rate study to ensure the rates and associated revenue streams support the vision and obligation to continue to provide reliable utility services and support planned Capital Improvement Program investments. This rate study began in April 2020 and is scheduled to be completed in the fall of 2020.
- As part of the 2021 budget cycle noted above, the O&M departmental expenses were reviewed by UC management team during several challenge sessions to ensure that the underlying business functions continue to operate in the most cost-effective manner and will continually identify ways to operate more efficiently and to reduce costs, when possible.
- The 2021-2030, Ten-Year Capital Improvement Plan, (CIP) is based upon the revised risk assessed approach. Several prioritization and challenge sessions were held with the management team to ensure that the right mix of electric, water and wastewater projects were prioritized appropriately in the budget with line of sight to completion.
- The FY 2021 Budget includes the UC's portion of growth infrastructure projects, if applicable. 100% growth infrastructure projects were properly reflected as infrastructure and excluded from the CIP totals.
- The continued growth within the service area, new residential subdivisions and commercial customers requires the appropriate resources to adequately plan and maintain reliable UC system operations and meet developer project needs. Projected staffing level (excluding Commissioners) of 180, which is six (6) FTE's less than the approved 2020 Budget. In addition, as part of the UC's strategic Vision and Values implementation, the UC recently completed a comparative market wage study and implemented a new compensation pay grade system. A new UC Compensation Policy is under development and will complement the new system and provide administrative Policy and Practices on how the compensation system is to

be managed. As part of the market study implementation, employees with wages below the target starting point [85% of Market Reference Point (MRP)] were adjusted accordingly.

In projecting 2021 salaries, the results of the comparative market wage study were incorporated into the 2021 budget. In addition to required annual step increases, some reclassifications and associated salary adjustments are included in 2021. Salaries and benefits are also included in this Budget consistent with the Collective Bargaining Agreement negotiated and approved in 2019. The current IBEW Collective Bargaining Agreement expires on June 30, 2022.

- Based on current industry projections and increased UC claim trends, a 10.0% increase in health insurance premiums was included in the 2021 Budget.

### ***Budget and Budgetary Accounting***

An annual revenue and expense budget are prepared for the combined electric, water, and wastewater utility systems. In accordance with the Utilities Commission's enabling legislation, the approved budget is submitted to the City of New Smyrna Beach on or before June 1st of each year for subsequent City Commission approval. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP) except that certain other cash receipts and payments are treated as budgetary items to maintain effective fiscal and budgetary control over the collection and disposition of all Utilities Commission resources. Specific budgetary control is exercised over internal operating transfers to restricted funds, payments of principal on long-term debt obligations, and collections of contributed capital which are recognized in the budget as additions and/or deductions.

Budget appropriations are prepared by the administrative staff and approved as provided by law by the Utilities Commission. Budgetary control is exercised at the departmental level as determined by the General Manager/CEO. Budget amendments, if any, can be requested by the General Manager/CEO. However, all budget amendments must be approved by the Utilities Commission and the City of New Smyrna Beach.

### ***The Budget Process***

The budget process begins early each calendar year and involves every department of the Utilities Commission. In March, Staff begins collecting prior year actual expenditures and budget information from the various departments. Revenue projections are created for the Electric, Water, and Wastewater/ Reclamation Departments using a combination of historical data and forecasted assumptions. Next, the collected information is sent to department Directors for their preliminary review and further input.

For the capital budget build, the Directors work with their supervisors, engineers, project managers and field crews to gather additional information regarding upcoming expenditures. Starting with the 2020 Budget cycle, the CIP process was revamped to perform a complete bottoms-up capital budget bifurcating between Annual Projects (AP) and Major Projects (MP). AP reflects normal annual capital work such as pole installations, meter installations, etc. MP reflects unique specific capital projects

that can span more than one year. MP examples include 115 kV Smyrna Substation and Pole Replacements [Electric], Lift Station #5 Reconstruction [Wastewater], Barracuda Bridge Utility Improvement [Water], Water Reclamation Facility (WRF) Reclaimed Pond Expansion [Reuse].

Starting in FY 2020, the UC embarked on a grid and water modernization and optimization studies to evaluate where the UC can make process and infrastructure and systems investments to improve electric and water operations, reduce costs and to facilitate the ability to provide our customers Utility of the Future services. We are in the process of consolidating the studies into a long-term cohesive strategy and multi-year “Modernization Roadmap” implementation plan. As we formulate the plan, the long-term strategic goals will be incorporated into subsequent UC capital budgets in a mindful and methodical manner. Prior to proceeding with any implementation plan, we expect to review and request approval for the overall Modernization Roadmap and associated project portfolio from the UC Commission in a Workshop to be scheduled in the fall of 2020.

For the 2021 CIP Budget, a thorough review was performed by each Director of their respective areas to identify the capital projects that are critical to the continued reliability of the UC’s infrastructure. As referenced above, each project’s risk profile was evaluated for its impact to the UC’s existing infrastructure and probability of occurrence, work category (i.e. reliability/performance, interagency, etc.) along with a monthly spend forecast for the first two years. Multiple prioritization and challenge sessions were held with the management team to ensure that the right mix of electric, water and wastewater projects were prioritized in the 2021 budget with line of sight to completion. All projects are prioritized in ranking order to assure; compliance, risk, business needs and system performance receive appropriate consideration for budget funding.

Staffing requirements are also reviewed for the purposes of organizational and personnel development, succession planning, and performance enhancements. The information is then returned to the Finance Department for review and compilation. The Director of Finance and Staff review the information and work with the department Directors compile a balanced budget.

The proposed budget is then presented to the General Manager/CEO and subsequently reviewed with the department Directors to make any requested changes. It is presented to the Utilities Commission for approval, during the May Commission meeting of each year along with the annual budget presentation. By June 1<sup>st</sup> of each year, the budget is required to be sent to the City of NSB for their approval and the UC budget approval takes place, along with the City’s budget approval, in the early fall of each year. After the UC budget is approved, the budget and actual results performance will be reviewed quarterly to determine if the approved budget should remain as originally approved or if a budget amendment should be processed based on YTD business performance and current business information.



## ***Other Accounting Information***

### ***Related to Financial Representation***

#### **Reporting Entity**

The Utilities Commission was created in 1967 through the passage of Chapter 67-1754, Laws of Florida, Special Acts of 1967 (House Bill 1669), as amended by 85-503, Laws of Florida, which also amended the Charter of the City of New Smyrna Beach, Florida to create the Utilities Commission. The Utilities Commission is governed by a five-member board of Commissioners who are appointed by the City Commission. Utilities Commissioners receive compensation of \$100 per month and may serve no more than three consecutive 3-year terms [total of nine-years]. In a referendum held in October, 1984, voters approved amendments to the enabling legislation to (1) require City Commission approval for extensions of utility services outside the City limits; (2) require submission of the Utilities Commission's Operating Budget annually to the City Commission prior to June 1<sup>st</sup> for review and approval; and (3) require City Commission approval before issuing or refunding revenue certificates and entering into contracts which exceed four years.

#### **Accounting Policies**

The financial statements of the Utilities Commission are presented in conformity with accounting principles generally accepted in the United States of America as applicable to governmental units. The existing hierarchy provides that accounting guidance should first be sought in statements of the Governmental Accounting Standards Board (GASB). If the GASB has not issued a standard applicable to a situation, then pronouncements of the Financial Accounting Standards Board (FASB) are presumed. Additionally, the financial statements are presented substantially in conformity with accounting principles and methods prescribed by the Federal Energy Regulatory Commission (FERC).

#### **Basis of Accounting**

The Utilities Commission's financial statements are prepared on the accrual basis of accounting. By utilizing this method, revenues are recognized as they are incurred. Unbilled utility service receivables are recognized to provide a better matching of service revenues and the costs of providing the services.

## ***Unrestricted Funds***

**Revenue Fund** ~ The Revenue Fund was established by the Commission in compliance with Resolution No. 28-78 (Enacted in 1978), as amended. Once the Series 2020 Bonds are issued, Resolution No. 2020-02 will supersede Resolution No. 28-78, which reflects the same basic principles with updated bond covenant language consistent with current best practices. The Revenue Fund is used for operations. All sources of revenue are deposited in this fund. Sources of funds include the following: operating revenue, such as direct sales to customers; other revenues, such as pole rentals, interest earning and hydrant rentals; miscellaneous operating revenue, such as cut-in fees, penalties, and miscellaneous revenue. The use of revenue funds includes payment of operation and maintenance expenses, transfers to restricted funds, required payment to the City and transfers to internally designated reserve funds for O&M expenses, capital improvements and line extensions. The balance at any time in this fund is unrestricted and available for system operations or any lawful purpose.

During a Joint Meeting held September 13, 2016, the UC Commissioners approved a “loan” (appropriation of unrestricted R&R funds) in the amount of \$850,000 to be included in the UC’s FY 2017 Budget for use by the City within their Islesboro Stormwater Project for sewer main extensions for approximately 50 residential properties (approximately 32 with existing septic systems and the remainder vacant lots). This City project was completed in Spring 2019 with a final project cost of \$293,000 and the first payment was promptly received with the second payment expected in May 2020. All UC funds are to be paid back in full within five years, at 2.18% interest.

### ***Restricted Funds***

**Debt Service Sinking Funds** ~ The Debt Service Sinking Funds are required by Resolution No. 28-78, Section 16, D (2), as amended and supplemented by Resolution No. 4-02, adopted on July 1, 2002. Once the Series 2020 Bonds are issued, Resolution No. 2020-02 will supersede Resolution No. 28-78, which reflects the same basic principles with updated bond covenant language consistent with current best practices. The sole source of funds comes from transfers from the Revenue Fund. The use of these funds is legally restricted to pay the scheduled principal and interest payments on outstanding revenue certificates and other debt issued by the Utilities Commission. Debt Service Sinking Funds exist for all outstanding revenue certificates.

**Renewal and Replacement Fund** ~ The Renewal and Replacement Fund is required by Resolution No. 28-78, Section 16, D (8), as amended and supplemented by Resolution No. 4-02, adopted on July 1, 2002. Once the Series 2020 Bonds are issued, Resolution No. 2020-02 will supersede Resolution No. 28-78, which reflects the same basic principles with updated bond covenant language consistent with current best practices. The source of funds deposited to this fund come from transfers from the Revenue Fund after the Revenue Fund first transfers appropriate funds into the Debt Service Sinking Funds. The use of funds is legally restricted to pay the cost of extensions, enlargements or additions to, or the replacement of capital assets of the “System”, emergency repairs thereto, and, if necessary, operating expenses. The System being defined as the combined water system, sanitary sewer system, and electric system.

Under the provisions cited above “mandatory minimum requirements” are to be transferred into the Renewal and Replacement Fund in an amount not less than 8% of gross revenues (under the Series 2020 Bond Resolution No. 2020-02 the mandatory minimum requirement decreases to 6%, but the UC will continue transferring 8% of gross revenues), for the second preceding fiscal year, after deducting from gross revenues a sum equal to 100% of the fuel and purchased power costs incurred by the electric utility system in the second preceding fiscal year. “Additional Requirements” are transferred into the Renewal and Replacement Fund as necessary to meet planned expenditures for capital improvement projects and major repairs to utility system plant assets. The “additional requirements” are needed to ensure completion of projects, since the “mandatory minimum requirements” do not provide a sufficient level of funding to internally finance ongoing and planned projects that are budgeted for the year.

The fund exists to ensure that the utility plant is sufficiently maintained or expanded to generate recurring revenue as the source for repayment of the debt, emergencies such as hurricane repairs, recommended level of operating reserves, and rate stabilization.

**Restricted Renewal and Replacement Fund** ~ This fund was established to deposit monies collected from customers for water and water reclamation capacity and extension fee charges that are restricted under the terms of the agreements to the construction and acquisition of additions and extensions to water treatment plants and sewage treatment plants, including land and other costs incurred, to provide additional capacity.

The source of funds accounted for in the Restricted Renewal and Replacement Fund is from “Capacity & Extension Fees ~ Restricted” as labeled in the internally generated Source and Application of Funds report. These charges are deposited to the Revenue Fund and then immediately transferred from the Revenue Fund into the Restricted Renewal and Replacement Fund. The use of funds is restricted to pay for new water and/or sewage treatment plants, new water wells or sewer interceptor systems, or increase plant capacity.

**Infrastructure Fees** ~ Anticipated growth is again underway within the Utilities Commission service area. Utility infrastructure studies have focused upon the condition of each existing utility system and the expected effects from this growth. In compliance with SB360, and to further the purposes of Chapter 163, Florida Statutes state to properly create a 10-year plan and install adequate infrastructure for the anticipated growth development area for the anticipated life-cycle of these assets (which generally are in the 40-50 year range), Resolution 11-06 incorporating an Addendum to the Utilities Commission Developer Agreement was adopted. Chapter 2005-290 (SB-360) infrastructure planning and funding requirements were incorporated into the Addendum by developing proportional contributions to be tendered by Developers. The purpose and goal of the Addendum is to recognize the benefits of conceptual long-range planning for the build-out of an area consistent with the anticipated growth; to further the intent of Chapter 163, Florida Statutes which supports innovative and flexible planning and development strategies, and to avoid the disproportionate distribution of costs upon existing customers for necessary services for new customers.

The UC records infrastructure payments and performs meter installation requests for system demands. Infrastructure projects costs are required to be evaluated periodically. The first year of the program began in 2006 (Year 1) in accordance with Resolution 11-06 after it was passed by the Commission. Infrastructure Fees are being evaluated in the upcoming rate study.

**Customer Deposits** ~ The Utilities Commission maintains a Meter Deposit Fund to account for customer deposits. As required under Florida law, deposits paid by utility customers are to be held in a separate account to secure services and to be refunded to the customers at such time the secured interest in the deposit ceases. Abandoned deposits are required to be remitted as unclaimed property to the Florida Department of Financial Services on an annual basis. The use of funds is limited to applying a credit towards a customer’s bill, refunding the deposit to the customer, or pay over to the State any abandoned deposits that have reached the required one-year dormancy period.

## *Where We Are Going*

The Utilities Commission finalized its Vision, Mission Statement and Core Values in 2019 and is now in its second year of implementation. During this unprecedented time due to the COVID-19 pandemic, the residents of the City of NSB and the customers of the UC are relying on us, and we are here. To assist our customers experiencing financial hardship, we temporarily suspended disconnects and late payments in March, and suspended the Electric Fuel Adjustment Fee, for the months of May and June 2020. We will continue to work with our customers as we return to normal billing and collections practices, and for those continue to experience hardship, UC Staff will assist with individual payment plans to keep utility services on, where at all possible

The Vision and Mission will drive how the UC operates and partners with the NSB community. In partnership with the NSB community, the UC's overall mission is to operate and maintain essential utility infrastructure and provide reliable services through operational excellence. There are several initiatives underway reviewing our Electric, Water, and Wastewater/Reclaimed infrastructure and operations to help us determine what modernization improvements need to be made for the continued reliable performance of our systems and expanded services and programs to our customers and the community. After the studies are completed and integrated into a Modernization Roadmap, we will review with the Commission and the NSB community to make recommendations and determine next steps on project execution including scope and financial investments.

In the meantime, the FY2021 Capital Improvement Plan is budgeted to address the continued reliability of the electric, water and wastewater/reclaimed systems. High level placeholders are in the Budget to accomplish many of the estimated costs of Modernization. However, the Modernization Roadmap, and associated cost estimates are being finalized at the time of this budget development, and the details of the Plan will be reviewed for approval in the Modernization Workshop to be held in the fall 2020. Once the Modernization Plan is approved, individual project approvals will then be brought to the Commission for financial approval, per UC Purchasing Manual and Financial Approval policy and procedure requirements. The purpose of the Workshop is to provide the Commission and our customers the ability to review and discuss the Vision and direction for our Modernization strategy, and the benefits and capabilities of the associated projects that will be delivered to our customers and business operations. Concurrently, the UC will secure new capital through the Series 2020 Bond issuance which will provide an opportunity for the UC to refund (refinance) its existing debt for interest cost savings and provide additional required capital to ensure that the UC can continue to provide low cost and reliable utility services.

## *Summary*

The 2021 Budget submitted remains focused on the strategic and operational mission to maintain essential utility infrastructure and to provide reliable services through operational excellence consistent with our Vision, Mission and Values.

The next page reflects the UC's current Vision, Mission Statement and Core Values.

Respectfully submitted,

Joseph Bunch



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GENERAL MANAGER/CEO

Efren Chavez



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DIRECTOR OF FINANCE/CFO



## **Vision**

To be a community partner with safety as the priority, while providing reliable, essential utility services, dedicated to sustainable resources and community stewardship.

## **Mission Statement**

As a vital community partner to greater New Smyrna Beach, we operate and maintain infrastructure that provides essential, reliable services. We strive to maintain and build upon the confidence that we earn as a trusted water resources and energy advisor by providing sustainable, conservation-focused utilities. We are characterized by community stewardship, including volunteerism and charitable giving, and will operate with a strong focus on pride in our community.

## **Core Values**

**Safety. Integrity & Transparency. Financial Prudence.  
Innovation, Learning, & Improvement. Diversity & Inclusion.**

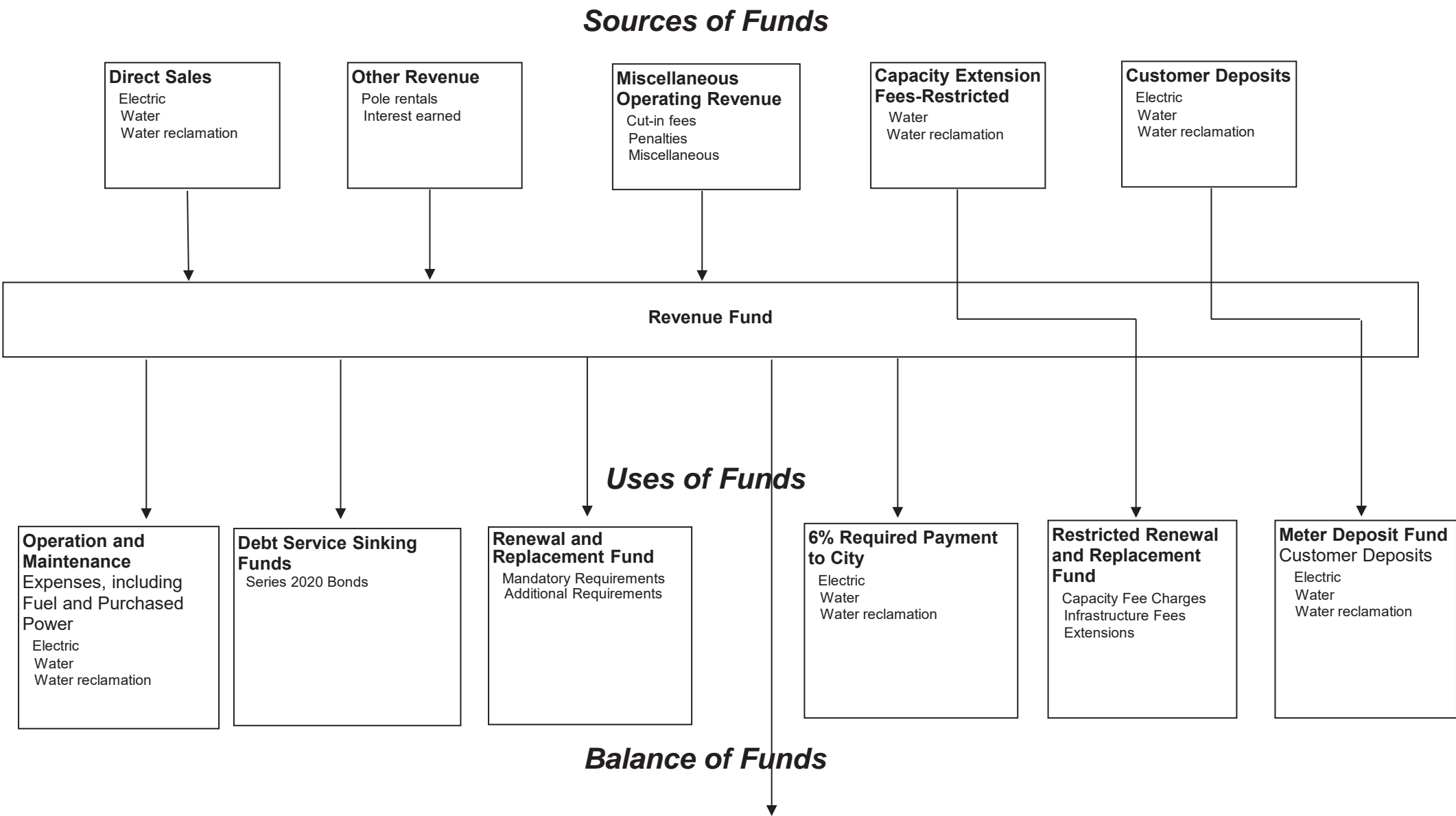
- Safety is the top priority for our customers, employees, and the community;
- Work proactively with all stakeholders to enhance their quality of life, performing with Integrity and Transparency;
- Ensure our utility infrastructure provides excellent system performance and economically sustainable benefits for multiple generations by remaining Financially Prudent and optimizing rates;
- Promote a culture of Innovation, Learning, and Improvement;  
Embrace Diversity and Inclusion to strengthen our work culture and remain an employer of choice.

## ***Financial Plan***

### ***Sources & Uses of Funds***

### ***Budget Forecast FY 2021***

# Visual Representation of Funds

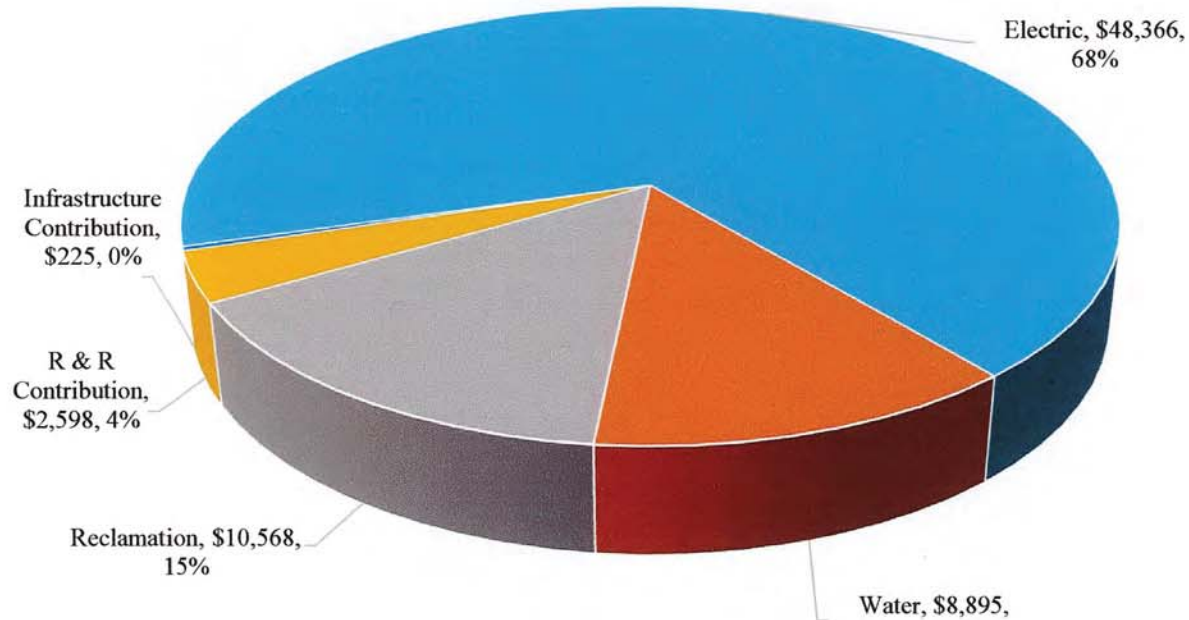


\*\*\* A verbal description of each fund can be found on the following pages. \*\*\*

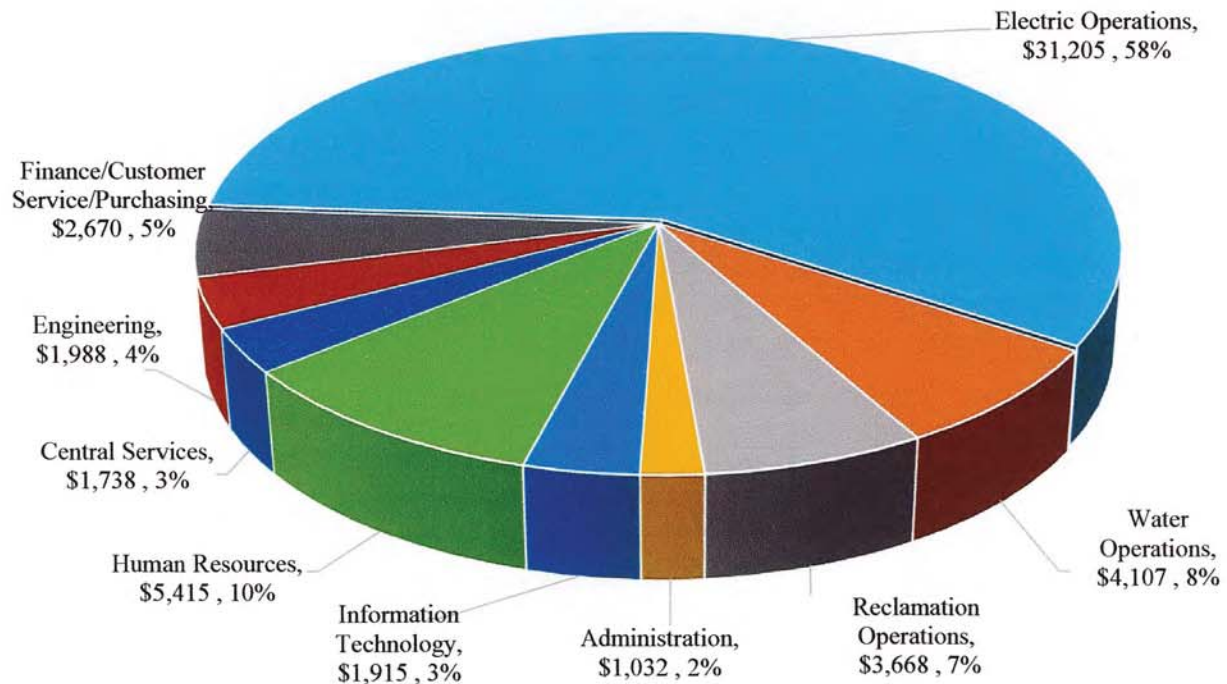
**UTILITIES COMMISSION  
CITY OF NEW SMYRNA BEACH  
FORECAST REPORT  
BUDGET FY 2021  
COMBINED SYSTEM**

	<b>FY 2019 ACTUAL</b>	<b>FY 2020 BUDGET</b>	<b>2020- 7 MO ACTUAL</b>	<b>FY 2021 BUDGET</b>	<b>% CHANGE from FY20 BUDGET</b>
<b>1. Revenues:</b>					
2. Electric	\$43,548,885	\$47,789,571	\$22,155,404	\$48,366,100	1.21%
3. Water	8,395,842	8,736,882	4,866,544	8,894,800	1.81%
4. Reclamation	10,224,689	10,117,285	6,067,357	10,567,500	4.45%
<b>5. Total Revenues</b>	<b>62,169,416</b>	<b>66,643,738</b>	<b>33,089,305</b>	<b>67,828,400</b>	<b>1.78%</b>
<b>6. Other Revenue Sources:</b>					
7. R & R Contribution	13,554,765	3,616,950	2,906,511	2,597,700	-28.18%
8. Infrastructure Contribution	13,283	225,000	0	225,000	0.00%
<b>10. Total Other Sources</b>	<b>13,568,048</b>	<b>3,841,950</b>	<b>2,906,511</b>	<b>2,822,700</b>	<b>-26.53%</b>
<b>11. Balance</b>	<b>75,737,464</b>	<b>70,485,688</b>	<b>35,995,816</b>	<b>70,651,100</b>	<b>0.23%</b>
<b>12. Operation &amp; Maintenance Expenses:</b>					
<b>Direct Cost Centers</b>					
13. Purchased Power	19,207,006	21,317,970	9,542,549	20,553,100	-3.59%
14. Electric Operations	10,957,559	10,926,000	5,614,767	10,651,650	-2.51%
16. Water Operations	3,811,882	4,472,100	1,941,186	4,107,200	-8.16%
17. Reclamation Operations	3,252,290	3,478,700	1,870,927	3,667,950	5.44%
<b>Indirect Cost Centers</b>					
18. Administration	1,321,860	959,851	518,671	1,031,700	7.49%
19. Information Technology	1,285,192	2,312,600	867,944	1,915,000	-17.19%
20. Human Resources	5,285,995	5,611,050	2,801,113	5,414,550	-3.50%
21. Central Services	0	1,414,650	684,258	1,737,750	22.84%
22. Engineering	1,187,714	1,771,100	1,136,039	1,987,600	12.22%
23. Finance/Customer Service/Purchasing	2,516,325	2,619,250	1,154,077	2,670,200	1.95%
<b>23. Total O&amp;M Expenses</b>	<b>48,825,823</b>	<b>54,883,271</b>	<b>26,131,531</b>	<b>53,736,700</b>	<b>-2.09%</b>
<b>24. Balance</b>	<b>26,911,641</b>	<b>15,602,417</b>	<b>9,864,285</b>	<b>16,914,400</b>	<b>8.41%</b>
<b>25. To Sinking Fund:</b>					
26. 2009 Certificates	3,576,323	1,991,390	1,161,644	0	-100.00%
27. 2011 Certificates	1,214,877	0	0	0	0.00%
28. 2013A Certificates	508,308	1,231,299	718,258	0	-100.00%
29. 2013B Certificates	892,272	905,452	528,181	0	-100.00%
30. 2020 Bond	0	0	0	4,601,800	0.00%
<b>32. Total Debt Service</b>	<b>6,191,780</b>	<b>4,128,141</b>	<b>2,408,083</b>	<b>4,601,800</b>	<b>11.47%</b>
<b>33. Balance</b>	<b>20,719,861</b>	<b>11,474,276</b>	<b>7,456,202</b>	<b>12,312,600</b>	<b>7.31%</b>
<b>34. To Capital Improvement Plan:</b>					
35. Transfer to R & R Contribution	4,984,364	3,224,153	1,880,757	3,320,122	2.98%
36. Additional Required	0	3,895,528	0	2,986,928	-23.32%
37. Contributed Capital and Easement	9,345,545	150,000	891,287	450,000	200.00%
38. Transfer to R & R - Restricted Fund	2,589,044	0	1,430,067	1,298,850	0.00%
40. Transfer to - Infrastructure Fund	13,283	225,000	0	225,000	0.00%
<b>41. Total To Capital Improvements</b>	<b>16,932,236</b>	<b>7,494,681</b>	<b>4,202,111</b>	<b>8,280,900</b>	<b>10.49%</b>
<b>42. Balance</b>	<b>3,787,625</b>	<b>3,979,595</b>	<b>3,254,091</b>	<b>4,031,700</b>	<b>1.31%</b>
43. Transfer to City	3,787,625	3,979,595	2,117,831	4,031,700	1.31%
<b>44. Balance</b>	<b>0</b>	<b>0</b>	<b>1,136,260</b>	<b>0</b>	<b>0.00%</b>

### *Combined System Sources of Funds (in thousands)*



### *Combined System Uses of Funds (in thousands)*

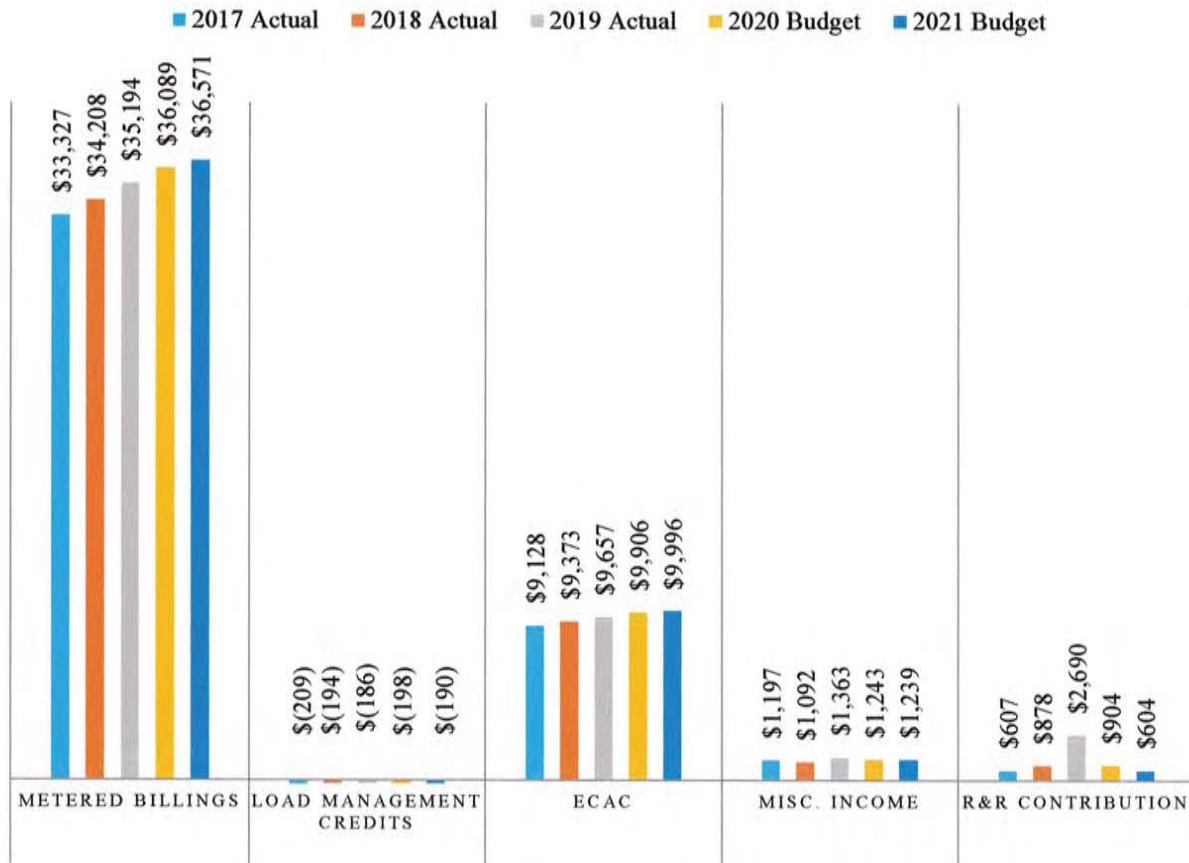




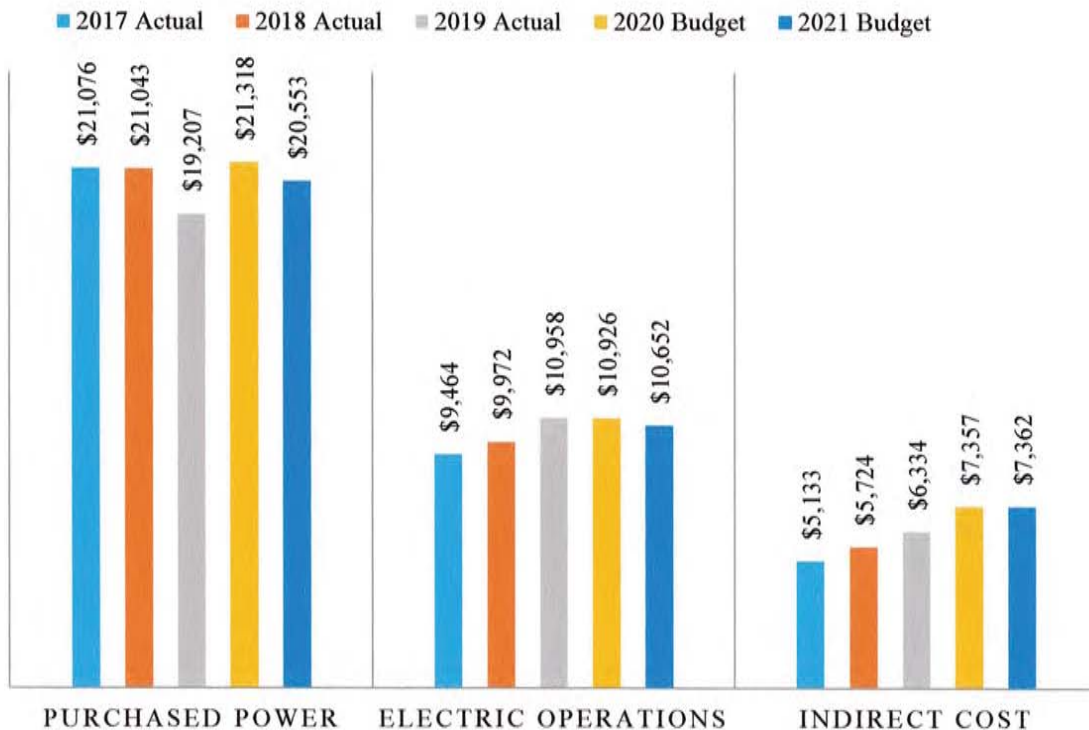
UTILITIES COMMISSION  
CITY OF NEW SMYRNA BEACH  
FORECAST REPORT  
BUDGET FY 2021  
ELECTRIC SYSTEM

	<u>FY 2019 ACTUAL</u>	<u>FY 2020 BUDGET</u>	<u>2020- 7 MO ACTUAL</u>	<u>FY 2021 BUDGET</u>	<u>% CHANGE from FY20 BUDGET</u>
<b>1. Revenues:</b>					
<b>2. Direct Sales:</b>					
3. Metered Billings	\$35,193,909	\$36,089,123	\$19,230,507	\$36,570,800	1.33%
4. Load Management Credits	(186,080)	(197,665)	(105,805)	(189,800)	-3.98%
5. Energy Cost Adjustments	9,657,261	9,905,671	5,225,708	9,996,400	0.92%
6. Underrecovery of Fuel Costs	(2,479,272)	750,000	(2,836,273)	750,000	0.00%
7. Misc. Operating Revenue	614,601	811,679	335,189	661,100	-18.55%
8. Non Operating Revenue	748,466	430,762	306,079	577,600	34.09%
<b>9. Total Revenues</b>	<b>43,548,885</b>	<b>47,789,570</b>	<b>22,155,405</b>	<b>48,366,100</b>	<b>1.21%</b>
<b>10. Other Revenue Sources:</b>					
11. R&R Contribution	2,689,934	903,950	313,097	603,900	-33.19%
13. Infrastructure Contribution	6,907	75,000	0	75,000	0.00%
<b>15. Total Other Revenue Sources</b>	<b>2,696,841</b>	<b>978,950</b>	<b>313,097</b>	<b>678,900</b>	<b>-30.65%</b>
<b>16. Balance</b>	<b>46,245,726</b>	<b>48,768,520</b>	<b>22,468,502</b>	<b>49,045,000</b>	<b>0.57%</b>
<b>17. Operation &amp; Maintenance Expenses:</b>					
<b>Direct Cost Center</b>					
18. Purchased Power	19,207,006	21,317,970	9,542,549	20,553,100	-3.59%
19. Electric Operations	10,957,559	10,926,000	5,614,767	10,651,650	-2.51%
<b>Indirect Cost Centers</b>					
20. Administration	826,414	581,256	342,061	647,309	11.36%
21. Information Technology	784,370	1,410,686	529,849	1,168,150	-17.19%
22. Human Resources	2,877,526	2,513,750	1,502,621	2,425,718	-3.50%
23. Central Services	0	681,113	311,337	859,706	26.22%
24. Engineering	476,052	771,160	482,210	836,050	8.41%
25. Finance/Customer Service/Purchasing	1,369,356	1,398,795	500,321	1,424,780	1.86%
<b>26. Total O&amp;M Expenses</b>	<b>36,498,283</b>	<b>39,600,730</b>	<b>18,825,715</b>	<b>38,566,463</b>	<b>-2.61%</b>
<b>27. Balance</b>	<b>9,747,443</b>	<b>9,167,790</b>	<b>3,642,787</b>	<b>10,478,537</b>	<b>14.30%</b>
<b>28. To Sinking Fund:</b>					
28. 2009 Certificates	1,811,765	1,008,838	588,489	0	-100.00%
29. 2020 Bond	0	0	0	2,291,696	0.00%
<b>30. Total To Sinking Fund</b>	<b>1,811,765</b>	<b>1,008,838</b>	<b>588,489</b>	<b>2,291,696</b>	<b>127.16%</b>
<b>31. Balance</b>	<b>7,935,678</b>	<b>8,158,952</b>	<b>3,054,298</b>	<b>8,186,841</b>	<b>0.34%</b>
<b>32. To Capital Improvement Plan:</b>					
33. Transfer to R & R Contribution	3,276,005	1,833,622	1,069,613	1,871,709	2.08%
34. Additional Required	0	3,330,303	0	3,203,832	-3.80%
35. Contributed Capital and Easement	1,946,631	50,000	36,973	150,000	200.00%
38. Transfer to - Infrastructure Fund	6,907	75,000	0	75,000	0.00%
<b>39. Total To Capital Improvement Plan</b>	<b>5,229,543</b>	<b>5,288,925</b>	<b>1,106,586</b>	<b>5,300,541</b>	<b>0.22%</b>
<b>40. Balance</b>	<b>2,706,135</b>	<b>2,870,027</b>	<b>1,947,712</b>	<b>2,886,300</b>	<b>0.57%</b>
41. Transfer to City	2,706,135	2,870,027	1,475,493	2,886,300	0.57%
<b>42. Balance</b>	<b>0</b>	<b>0</b>	<b>472,219</b>	<b>0</b>	<b>0.00%</b>

### Electric Revenue (in thousands)



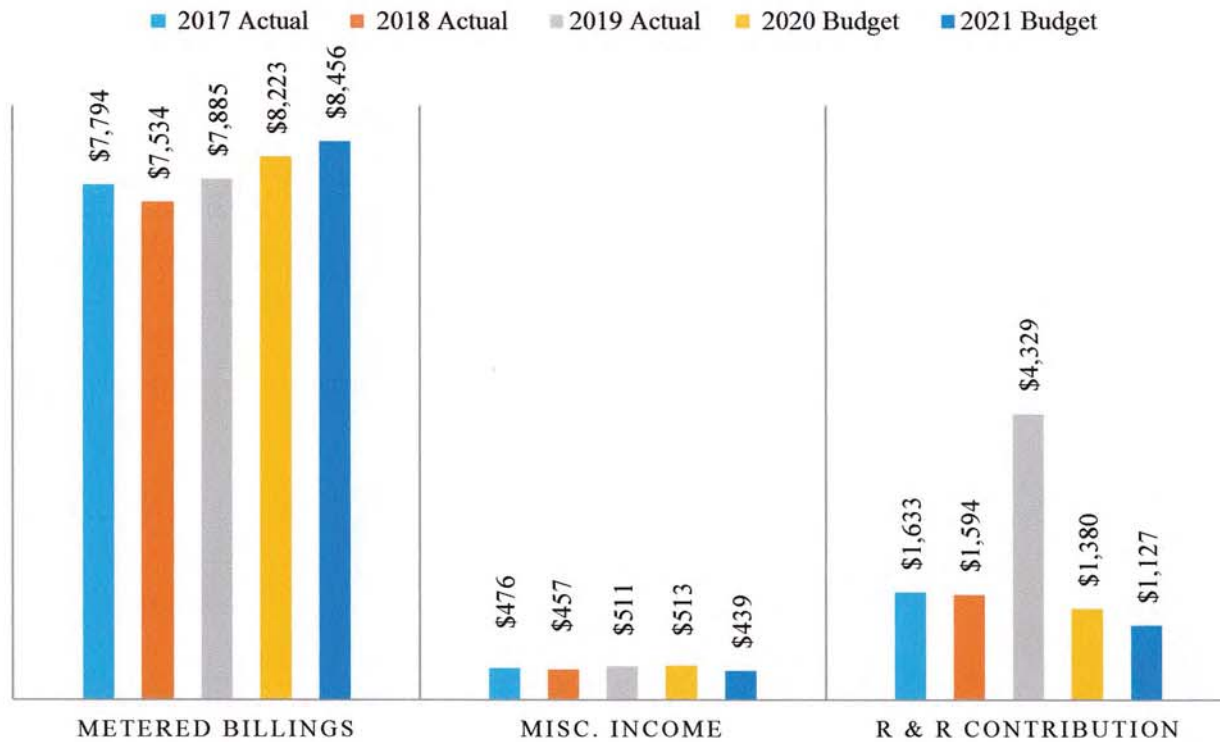
### Electric O & M (in thousands)



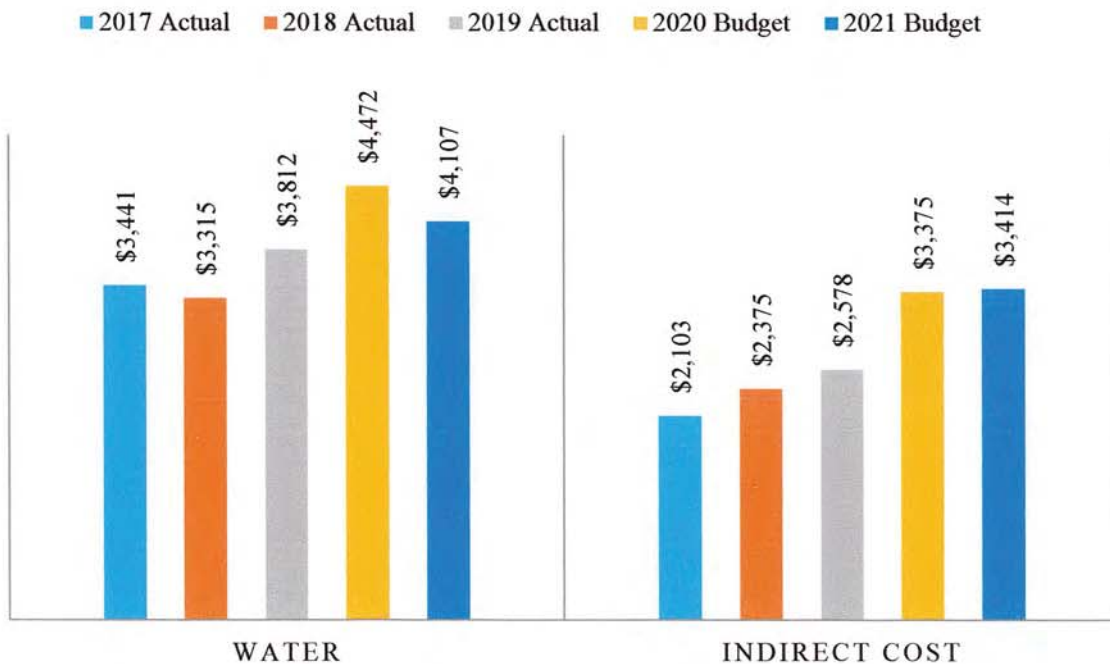
UTILITIES COMMISSION  
CITY OF NEW SMYRNA BEACH  
FORECAST REPORT  
BUDGET FY 2021  
WATER SYSTEM

	<u>FY 2019 ACTUAL</u>	<u>FY 2020 BUDGET</u>	<u>2020- 7 MO ACTUAL</u>	<u>FY 2021 BUDGET</u>	<u>% CHANGE from FY20 BUDGET</u>
<b>1. Revenues:</b>					
2. Metered Billings	\$7,884,575	\$8,223,289	\$4,597,477	\$8,456,200	2.83%
3. Hydrant Rental	0	0	33,000	0	0.00%
4. Misc. Operating Revenue	225,315	255,285	120,916	231,800	-9.20%
5. Non-Operating Revenue	285,952	258,309	115,151	206,800	-19.94%
<b>6. Total Revenues</b>	<b>8,395,842</b>	<b>8,736,883</b>	<b>4,866,544</b>	<b>8,894,800</b>	<b>1.81%</b>
<b>7. Other Revenue Sources:</b>					
8. R & R Contribution	4,329,384	1,380,000	1,218,368	1,126,600	-18.36%
9. Infrastructure Contribution	3,454	75,000	0	75,000	0.00%
<b>11. Total Other Revenue Sources</b>	<b>4,332,838</b>	<b>1,455,000</b>	<b>1,218,368</b>	<b>1,201,600</b>	<b>-17.42%</b>
<b>12. Balance</b>	<b>12,728,680</b>	<b>10,191,883</b>	<b>6,084,912</b>	<b>10,096,400</b>	<b>-0.94%</b>
<b>13. Operation &amp; Maintenance Expenses:</b>					
<b>Direct Cost Center</b>					
14. Water Operations	3,811,882	4,472,100	1,941,186	4,107,200	-8.16%
<b>Indirect Cost Centers</b>					
15. Administration	236,210	180,584	83,731	183,349	1.53%
16. Information Technology	218,307	393,142	147,375	325,550	-17.19%
17. Human Resources	1,203,460	1,346,652	665,186	1,299,492	-3.50%
18. Central Services	0	359,605	167,542	433,684	20.60%
19. Engineering	314,346	447,669	304,314	513,098	14.62%
20. Finance/Customer Service/Purchasing	605,741	647,065	346,932	659,300	1.89%
<b>21. Total O&amp;M Expenses</b>	<b>6,389,946</b>	<b>7,846,817</b>	<b>3,656,266</b>	<b>7,521,673</b>	<b>-4.14%</b>
<b>22. Balance</b>	<b>6,338,734</b>	<b>2,345,066</b>	<b>2,428,646</b>	<b>2,574,727</b>	<b>9.79%</b>
<b>23. To Sinking Fund:</b>					
24. 2009 Certificates	561,125	312,449	182,262	0	-100.00%
26. 2013B Certificates	892,272	905,452	528,181	0	-100.00%
27. 2020 Bond	0	0	0	1,095,228	0.00%
<b>28. Total To Sinking Fund</b>	<b>1,453,397</b>	<b>1,217,901</b>	<b>710,443</b>	<b>1,095,228</b>	<b>-10.07%</b>
<b>29. Balance</b>	<b>4,885,337</b>	<b>1,127,165</b>	<b>1,718,203</b>	<b>1,479,499</b>	<b>31.26%</b>
<b>30. To Capital Improvement Plan:</b>					
31. Transfer to R & R Contribution	618,314	623,869	363,924	650,448	4.26%
32. Additional Required	0	(135,870)	0	(535,799)	294.35%
33. Contributed Capital and Easement	2,724,068	50,000	334,824	150,000	200.00%
34. Transfer to R & R - Restricted Fund	1,054,294	0	586,855	616,350	0.00%
36. Transfer to - Infrastructure Fund	3,454	75,000	0	75,000	0.00%
<b>37. Ttl To Capital Improvement Plan</b>	<b>4,400,130</b>	<b>612,999</b>	<b>1,285,603</b>	<b>955,999</b>	<b>55.95%</b>
<b>38. Balance</b>	<b>485,207</b>	<b>514,166</b>	<b>432,600</b>	<b>523,500</b>	<b>1.82%</b>
39. Transfer to City	485,207	514,166	284,348	523,500	1.82%
<b>40. Balance</b>	<b>0</b>	<b>0</b>	<b>148,252</b>	<b>0</b>	<b>0.00%</b>

### ***Water Revenue Trends (in thousands)***



### ***Water O & M (in thousands)***



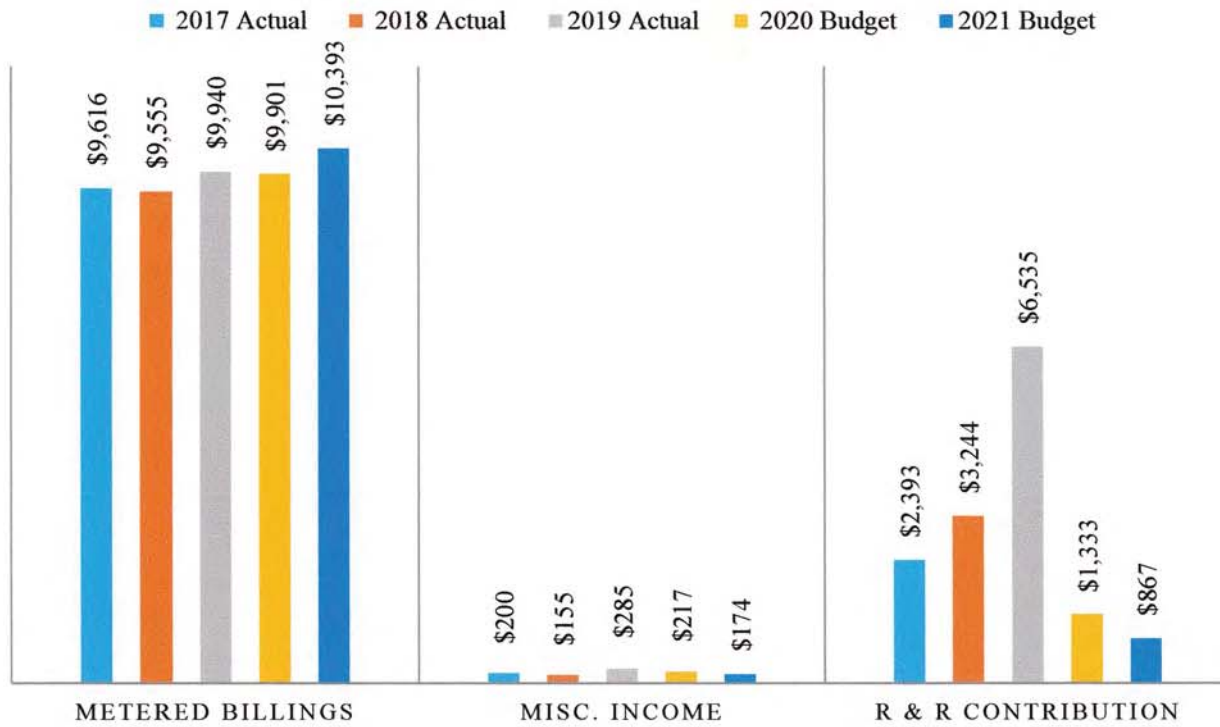


UTILITIES COMMISSION  
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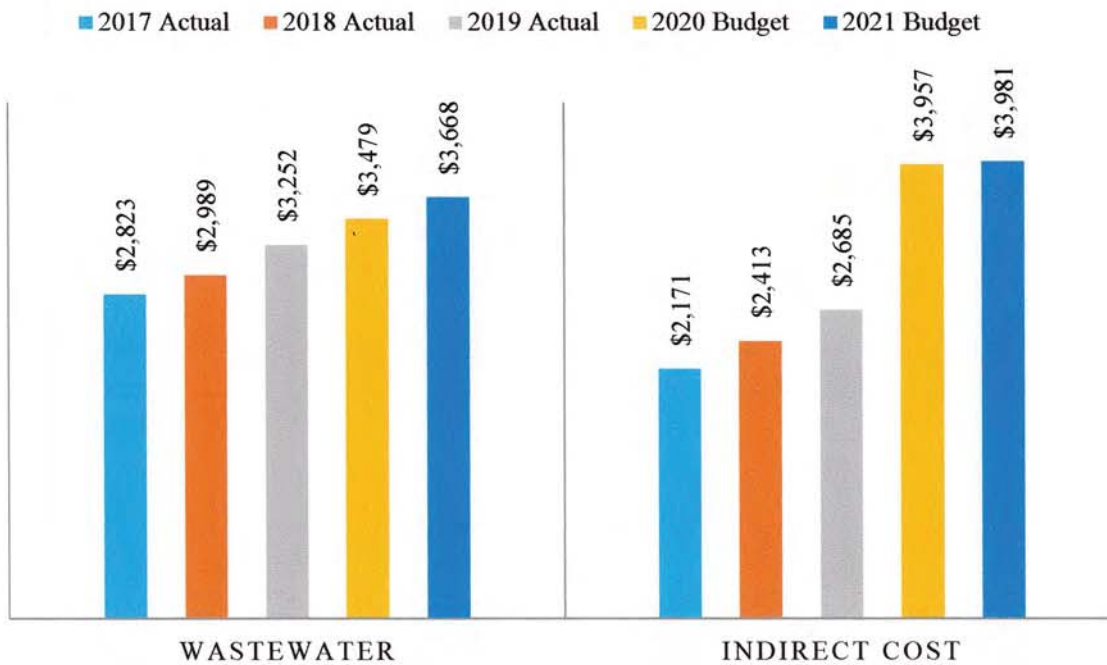
	<u>FY 2019 ACTUAL</u>	<u>FY 2020 BUDGET</u>	<u>2020- 7 MO ACTUAL</u>	<u>FY 2021 BUDGET</u>	<u>% CHANGE from FY20 BUDGET</u>
<b>1. Revenues:</b>					
2. Sales	\$9,939,546	\$9,900,701	\$5,967,625	\$10,393,400	4.98%
3. Misc. Operating Revenue	8,098	9,042	4,376	9,400	3.96%
4. Non-Operating Revenue	277,045	207,541	95,356	164,700	-20.64%
<b>5. Total Revenues</b>	<b>10,224,689</b>	<b>10,117,284</b>	<b>6,067,357</b>	<b>10,567,500</b>	<b>4.45%</b>
<b>6. Other Revenue Sources:</b>					
7. R & R Contribution	6,535,447	1,333,000	1,375,046	867,200	-34.94%
8. Infrastructure Contribution	2,922	75,000	0	75,000	0.00%
<b>10. Total Other Revenue Sources</b>	<b>6,538,369</b>	<b>1,408,000</b>	<b>1,375,046</b>	<b>942,200</b>	<b>-33.08%</b>
<b>11. Balance</b>	<b>16,763,058</b>	<b>11,525,284</b>	<b>7,442,403</b>	<b>11,509,700</b>	<b>-0.14%</b>
<b>12. Operation &amp; Maintenance Expenses:</b>					
<b>Direct Cost Center</b>					
13. Reclamation Operations	3,252,290	3,478,700	1,870,927	3,667,950	5.44%
<b>Indirect Cost Centers</b>					
14. Administration	259,237	198,011	92,879	201,043	1.53%
15. Information Technology	282,514	508,772	190,720	421,300	-17.19%
16. Human Resources	1,205,009	1,750,648	633,307	1,689,340	-3.50%
17. Central Services	0	373,932	205,379	444,360	18.83%
18. Engineering	397,316	552,271	349,516	638,452	15.60%
19. Finance/Customer Service/Purchasing	541,228	573,389	306,824	586,120	2.22%
<b>20. Total O&amp;M Expenses</b>	<b>5,937,594</b>	<b>7,435,723</b>	<b>3,649,552</b>	<b>7,648,565</b>	<b>2.86%</b>
<b>21. Balance</b>	<b>10,825,464</b>	<b>4,089,561</b>	<b>3,792,851</b>	<b>3,861,135</b>	<b>-5.59%</b>
<b>22. To Sinking Fund:</b>					
23. 2009 Certificates	1,203,433	670,103	390,893	0	-100.00%
24. 2011 Certificates	1,214,877	0	0	0	0.00%
26. 2013A Certificates	508,308	1,231,299	718,258	0	-100.00%
27. 2020 Bond	0	0	0	1,214,875	0.00%
<b>28. Total To Sinking Fund</b>	<b>2,926,618</b>	<b>1,901,402</b>	<b>1,109,151</b>	<b>1,214,875</b>	<b>-36.11%</b>
<b>29. Balance</b>	<b>7,898,846</b>	<b>2,188,159</b>	<b>2,683,700</b>	<b>2,646,260</b>	<b>20.94%</b>
<b>30. To Capital Improvement Plan:</b>					
31. Mandatory 8% Required	1,090,045	766,662	447,220	797,965	4.08%
32. Additional Required	0	701,095	0	318,895	-54.51%
33. Contributed Capital and Easement	4,674,846	50,000	519,490	150,000	200.00%
34. Transfer to R & R - Restricted Fund	1,534,750	0	843,212	682,500	0.00%
36. Transfer to - Infrastructure Fund	2,922	75,000	0	75,000	0.00%
<b>37. Total To Capital Improvement Plan</b>	<b>7,302,563</b>	<b>1,592,757</b>	<b>1,809,922</b>	<b>2,024,360</b>	<b>27.10%</b>
<b>38. Balance</b>	<b>596,283</b>	<b>595,402</b>	<b>873,778</b>	<b>621,900</b>	<b>4.45%</b>
39. Transfer to City	596,283	595,402	357,990	621,900	4.45%
<b>40. Balance</b>	<b>0</b>	<b>0</b>	<b>515,788</b>	<b>0</b>	<b>0.00%</b>



### Reclamation Revenue Trends (in thousands)



### Reclamation O & M (in thousands)



## ***Functional Responsibilities by Department***

**Commission** ~ The Utilities Commission, City of New Smyrna Beach, Florida, is a non-taxing, political subdivision of the State of Florida and a part of the government of the City of New Smyrna Beach, Florida, created by Special Legislative Act, Public Law 67-1754, as amended by Public Law 85-503 which subsequently also amended the Charter of the City of New Smyrna Beach. It has the full and exclusive right to manage, operate, and maintain control of the City's utilities within the city limits and in a designated service area beyond the limits of the City of New Smyrna Beach, Florida. The Utilities Commission is governed by a five-member commission of Commissioners who are appointed by the City of New Smyrna Beach Commission. Utilities Commissioners may serve no more than three consecutive three-year terms.

- Recently, Mr. Lee Griffith resigned from the Commission. We thank him for his continued support and guidance over the last eight consecutive years. The City of New Smyrna Beach is currently searching for a qualified replacement.

**Executive and Administration** ~ The General Manager/Chief Executive Officer and Administrative Staff manage the daily operations, executes existing policies and recommends policy-decisions of the Utilities Commission. Through Utilities Commission employees, the GM/CEO assures compliance with all policies and resolutions passed by the Commission and that the policies and resolutions are duly administered. In addition, the GM/CEO informs the Commission of significant legislative and industry matters, provides strategic plans, and suggests capital improvement plans, budgets, policies and service offerings to protect and enhance Utilities Commission assets and ensure cost-effective utility commodities and services. Direct reports to the GM/CEO are the Directors of: Electric Operations, System Operations, Water Resources, Finance, Engineering, Information Technology and Central Services.

**Electric** ~ The Electric Department is composed of the following divisions: Electric Operations, Electric Transmission & Distribution, Electric System Operations, and Nuclear Production (holds UC share of St. Lucie Nuclear Plant). The System Operations division secures electrical energy from off-site and/or local generation sources including the St. Lucie Nuclear Plant which is under Nuclear Production (holds the UC share of the St. Lucie Nuclear Plant), and schedules delivery over the electric grid for consumption by UC customers.

**Electric Operations** ~ The Electric Operations division operates and maintains safe, reliable, and efficient transmission and distribution facilities. The Director of Electric Operations provides planning, control, and direction for three divisions related to the operation of electric utility services: Transmission & Distribution, Installation, and Substation & Protective Systems.

**Electric Transmission & Distribution** ~ The Electric Transmission & Distribution division is responsible for the operation, construction, and maintenance of the electrical system to provide safe, timely, and reliable service. This division is also responsible for the transmission and distribution of electric power from internal and external power sources to the customer. Staff operates and maintains a safe and reliable transmission and distribution facility. This division is also responsible for advising Electrical Engineering of needed system extensions and upgrades and working closely with Engineering in the planning and design of those systems.

**Electric System Operations** ~ System Operations division performs a daily calculation to determine the mix of generating units, power resources, and power purchases required to deliver cost-effective energy to our customers. System Operators are now nationally certified (as NERC System Operators)



for ensuring UC reliability as part of the entire interconnected electric system, and for monitoring and restoring events occurring on the UC's transmission and distribution electrical system.

- Competitive sourcing for our purchased power expenses in the 2021 budget reflects a 6.4% decrease from the 2020 budget due to improved sourcing

**Nuclear Production** ~ Represents the UC's share of costs associated with fuel and purchased power from our membership in Florida Municipal Power Agency (FMPA) with regards to the St. Lucie Nuclear Plant.

**Water Resources** ~ The Water Resources Department is composed of the following divisions: Treatment Operations [two treatment plants] and Field Operations.

**Treatment Operations** ~ The potable water production facility, Glencoe Water Treatment Plant, is a Class A Water Treatment Plant (WTP) rated for 10.368 MGD. It incorporates a lime softening process, which operates 24/7. The state certified WTP operators manage withdrawals from the Upper Floridan Aquifer through 23 production deep wells. Once the water is treated, these operators control system supply by four (4) booster pumping stations and associated ground storage reservoirs. Treated water consistently meets or exceeds all Safe Drinking Water Act specifications for drinking, irrigation and fire service. On average, this facility currently produces 5.2 MGD daily flow rate.

The Water Reclamation Facility is also a Class A 7.0 MGD tertiary treatment plant operating 24/7, treating all domestic wastewater generated by our service area. The final product generated is called Reuse (also called reclaimed or recycled wastewater) – public access reuse is an additional irrigation supply for residential and commercial accounts. The average daily flow in FY 2018 was 3.71MGD. The final product met or exceeded all Florida Department Environmental Protection (FDEP) operating permit limits. As part of our permit, the UC has a Wet Weather Discharge allowance of .999 MGD to allow discharge in times of operational emergencies and during extended rainy periods, such as hurricanes and tropical storms. However, for over eleven (11) years, Operations has effectively managed Reclaimed Water supply-demand to avoid discharges into the Indian River Lagoon.

The Lift Station/Maintenance team is responsible for the plant treatment equipment, associated production wells, pumping stations (for the WTP) and over one hundred (100) sewer lift stations for the Water Reclamation Facility (WRF). This group also maintains the filling facilities for eight (8) reuse ponds at commercial sites (i.e. at golf courses, City Sportsplex facility, etc.).

The two treatment plants share a centralized Compliance Lab that is located at the WRF to perform various water tests besides plant process control. The Lab also contracts with outside labs for testing beyond the scope of our state certified lab.

**Field Operations** ~ This division performs operations and maintenance on the various piping systems. For potable water, this is approximately 320 miles of water mains, 28,000 metered connections, 1,500 fire hydrants and fourteen (14) miles of raw water mains.

For sewer collection, there are 150 miles of gravity sewer mains and associated manholes, as well as almost 60 miles of force mains. There are 22,700 domestic sewer connections.

For Reuse piping, there are approximately 60 miles of piping, serving 3,000 metered connections.



**Finance** ~ The Finance Department is responsible for implementing and monitoring the internal controls necessary for fiscal responsibility and compliance measures, and is comprised of the following divisions: Accounting, Customer Service/Meter and Materials Management.

**Accounting** ~ The Accounting division directs the process that culminates in the preparation of financial reports. They identify, measure, analyze, prepare, interpret, and communicate financial information used by all Directors to plan, evaluate and control the organization. The division assures appropriate use of and accountability for the utility's financial and asset resources. Staff coordinates and/or performs tasks associated with budget development and implementation, financial and statistical reporting, utility billing, payroll, accounts payable and cost information reporting for internal and external stakeholders.

**Customer Service/Meter** ~ The Customer Service division includes Billing, Collections and Meter units. The primary responsibility of this division is serving external utility customers. The cashiers, customer service representatives, and meter technicians are a critical customer facing unit of the UC. The division is also responsible for maintaining the billing, service orders and meter sub-systems; providing accurate and timely billing, billing adjustments; and resolving billing concerns with internal and external customers in a friendly and courteous manner. Meter unit personnel provide accurate readings of a customer's meter(s) and activity status for the electric, water and reclamation departments.

**Materials Management** ~ The purpose of the Materials Management division is to obtain the defined quality materials and services at cost-effective pricing. The UC utilizes this division for centralized purchasing to ensure the correct amount of product or service is received at the appropriate time. Materials Management maintains inventory at appropriate levels and oversees direct warehousing and inventory control. The Materials Management group also administers all bids.

**Engineering** ~ The Engineering Department is composed of the following divisions: Engineering Management, Environmental Engineering and Electrical Engineering.

**Engineering Management** ~ The Engineering Management division is responsible for the overall administration of civil, electric and water engineering, design, permitting, inspection, and construction management of major repairs, system upgrades, construction of new facilities, new and redevelopment, project management, as well as Geographical Information System (GIS) mapping. This Engineering section also provides for the planning related to future growth and for changes affecting existing systems due to technology improvements and/or changes in laws and regulations.

**Environmental Engineering** ~ The Environmental Engineering division is responsible for the engineering, design, permitting, and construction management of water, wastewater and reclaim plants and systems, including plant upgrades/modifications, lift station reconstruction, wastewater, and water main upgrades.

**Electrical Engineering** ~ The Electrical Engineering division is responsible for engineering, design, permitting and construction management of system upgrades, and construction facilities for the power generation, transmission and distribution systems, and substations.



**Information Technology** ~ The Information Technology Department ensures that the direction and strategies relative to the use of information technology are supportive of the needs and are consistent with the business goals of the Utilities Commission. The use of information technology is the primary means to provide quality services to the public in the most effective and cost-efficient manner. The IT function's primary objectives are to; ensure reliable IT systems and infrastructure, and that appropriate Information Technology and Operational Technology (IT/OT) cybersecurity safeguards are in place to maintain the security and integrity of the UC processes, systems and data.

**Central Services** ~ The Central Services Department is comprised of the following divisions: Human Resources, Safety and Risk Management, Community Relations, and Fleet and Facilities Management. Central Services focuses on critical areas that reflect a shared services methodology to support key operations of the UC, as follows:

**Human Resources** ~ The HR Division provides the UC with an employee-oriented, high performance culture, that emphasizes quality, productivity, goal attainment, and the recruitment and ongoing development of a superior workforce. This division is concerned with workforce planning and employment strategies, focusing on attracting and retaining high-quality personnel through total rewards management. The core function of the division involves employee training and development, building positive relationships within the organization, and development of appropriate workplace policies and procedures, as well as administering payroll and related employee benefits.

**Community Relations** ~ The Community Relations Division is the external outreach organization that manages the UC's interactions with the community of New Smyrna Beach. The organization works with the community in providing valuable project updates, environmental outreach and education programs, and opportunities for employees to engage in community service and charitable contributions through volunteerism and "Give Back" Programs. Various forms of communications are employed such as UC website, social media, radio, and print.

**Safety & Risk Management** ~ ***"Safety is our Top Priority"***. The UC has a dedicated Manager, Safety & Risk who is responsible for ensuring that the organization has programs, policies, and appropriate education so our employees go home safely each day in the same manner that they arrived at the start of the workday. The Manager also manages the UC's insurance coverages, such as property, workers' compensation, and general liability, among others.

**Fleet & Facilities Management** ~ The Fleet and Facilities Management Division (FFM) manages the UC's fleet, including heavy equipment and permanent generators, and all UC facilities. The focus of FFM is to deliver value through day-to-day tactical maintenance of facilities and vehicles and equipment, ensuring the assets support the needs of the organization, and through long-range planning in conjunction with the organization's goals. Additionally, it is the focus of FFM to provide staff with the appropriate workspace and vehicles that are available, reliable, and appropriate for their intended use. Cost control and environmental stewardship are also primary concerns for the Division.



# *Organizational Composition*



# UCNSB ORGANIZATIONAL CHART

## FISCAL YEAR 2021

*To be a community partner with safety as the priority, while providing reliable, essential utility services, dedicated to sustainable resources and community stewardship.*

*the Customers of UCNSB*



**JOSEPH G. BUNCH**  
GENERAL MANAGER/CEO



**EFREN CHAVEZ**  
DIRECTOR/CFO  
FINANCE

ACCOUNTING  
CUSTOMER SERVICE  
PROCUREMENT



**JULIE COUILLARD**  
DIRECTOR  
ENGINEERING

ELECTRICAL  
CIVIL  
GIS  
NEW DEVELOPMENT



**MICHAEL MINES**  
DIRECTOR  
ELECTRIC OPERATIONS

TRANSMISSION & DISTRIBUTION  
SUBSTATION & RELAY MAINTENANCE



**TIMOTHY BEYRLE**  
DIRECTOR  
SYSTEM OPERATIONS

PURCHASED POWER  
DISPATCH  
COMPLIANCE



**TBD**  
DIRECTOR  
WATER RESOURCES

WATER PRODUCTION  
WATER RECLAMATION  
PLANT MAINTENANCE  
DISTRIBUTION & COLLECTION



**BRITNEY PITCHER**  
DIRECTOR  
CENTRAL SERVICES

HUMAN RESOURCES  
SAFETY & RISK MANAGEMENT  
COMMUNITY RELATIONS  
FLEET & FACILITIES MANAGEMENT



**BRANDY KEEHN**  
DIRECTOR  
INFORMATION TECHNOLOGY

IT/OT NETWORK & SYSTEMS

**Authorized & Budgeted Positions  
2021 Budget**

Division	Number of Positions			
	Actual FY2018	Actual FY2019	Budget 2020	Budget 2021
110 - Commissioners	5	5	5	5
120 - General Manager/CEO	3	3	2	2
125 - Information Technology	6	6	8	7
130 - Human Resources	4	5	4	4
131 - Community Relations	0	0	1	1
132 - Safety & Risk Management	0	0	1	1
135 - Fleet Maintenance/Generation	0	0	5	3
137 - Facilities	0	0	3	4
210 - Electric Operations	3	3	3	3
250 - Fleet Maintenance	3	3	0	0
260 - Electric Transmission & Distribution	24	27	29	27
265 - Substation & Relay Maintenance	6	6	6	6
270 - System Operations/Generation	11	11	9	9
320 - Treatment Operations/Water Production	13	14	14	13
330 - Field Operations/Water Distribution	14	14	15	12
350 - Field Operations/Sewer Collections	9	9	9	12
360 - Treatment Operations/Pollution Control	23	22	24	24
410 - Engineering - Management	4	5	5	4
420 - Engineering - Environmental	7	7	7	8
430 - Engineering - Electrical	4	3	5	5
510 - Accounting	5	6	6	6
520 - Billing & Collections/Meter	21	24	24	23
550 - Materials Management	6	7	6	6
<b>Total Positions</b>	<b>171</b>	<b>180</b>	<b>191</b>	<b>185</b>



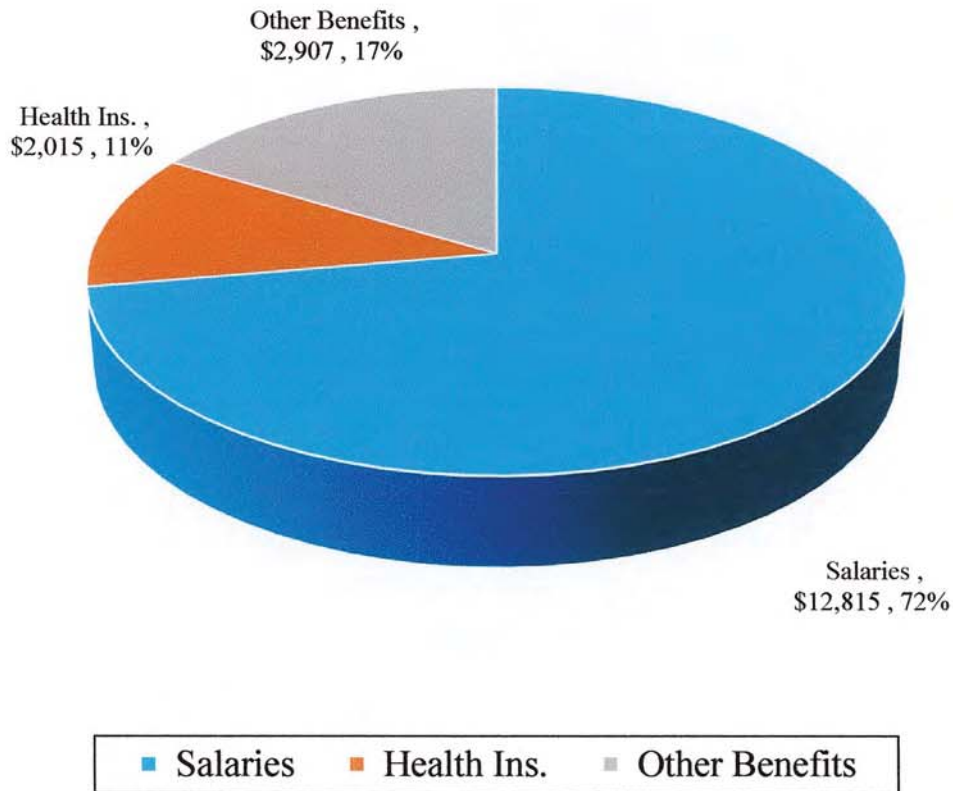
Utilities Commission of New Smyrna Beach

**FY 2021 Budget Salaries  
By Department**

	FY'19 ACTUAL	FY'20 TOTAL BUDGET	TOTAL 2020 FORECAST	FY 2021 DRAFT BUDGET	% Change from FY20 Budget
110 - Commission	\$5,884	\$6,000	\$6,253	\$6,000	
120 - Executive - General Manager/CEO	439,022	333,200	346,754	345,400	
125 - Information Technology	481,749	608,100	600,494	553,100	
<b>Total Administration</b>	<b>926,655</b>	<b>947,300</b>	<b>953,501</b>	<b>904,500</b>	<b>-4.52%</b>
130 - Human Resources	344,716	323,600	299,285	343,800	
131 - Community Relations	0	82,000	85,760	85,200	
132 - Safety & Risk Management	0	85,500	90,023	91,200	
135 - Fleet & Generation	0	334,400	338,243	203,600	
137 - Facilities	0	171,100	187,936	239,100	
<b>Total Central Services</b>	<b>344,716</b>	<b>996,600</b>	<b>1,001,247</b>	<b>962,900</b>	<b>-3.38%</b>
210 - Electric Operations	224,962	227,300	236,112	234,000	
250 - Electric - Fleet Maintenance	200,619	0	0	0	
260 - Electric - Transmission & Distribution	2,019,859	2,555,400	2,381,966	2,469,600	
265 - Electric - Substation/Relay	570,826	574,400	641,277	603,400	
270 - Electric - Systems Operations	977,768	807,400	862,918	879,600	
<b>Total Electric Systems</b>	<b>3,994,034</b>	<b>4,164,500</b>	<b>4,122,273</b>	<b>4,186,600</b>	<b>0.53%</b>
320 - Water Distribution	1,062,107	1,114,200	1,189,348	1,129,700	
330 - Water Production	654,348	814,800	781,401	717,100	
350 - Wastewater Collection	456,021	493,100	520,021	597,100	
360 - Wastewater Treatment Ops	1,013,083	1,067,200	1,139,158	1,076,700	
<b>Total Water Resources</b>	<b>3,185,559</b>	<b>3,489,300</b>	<b>3,629,928</b>	<b>3,520,600</b>	<b>0.90%</b>
410 - Engineering Management	429,325	429,900	390,679	352,600	
420 - Engineering Environmental	399,017	471,700	453,825	570,400	
430 - Engineering Electrical	234,286	350,100	301,872	371,200	
<b>Total Engineering</b>	<b>1,062,628</b>	<b>1,251,700</b>	<b>1,146,376</b>	<b>1,294,200</b>	<b>3.40%</b>
510 - Finance Accounting	455,760	481,100	512,283	521,200	
520 - Finance Customer Service/Meter	1,048,041	1,103,600	1,108,335	1,100,300	
550 - Finance Materials Management	322,776	311,900	318,259	324,500	
<b>Total Finance</b>	<b>1,826,577</b>	<b>1,896,600</b>	<b>1,938,877</b>	<b>1,946,000</b>	<b>2.60%</b>
	<b>\$11,340,169</b>	<b>\$12,746,000</b>	<b>\$12,792,202</b>	<b>\$12,814,800</b>	<b>0.54%</b>
<b>SELECTED BENEFITS BY DIVISION</b>					
<b>Benefits By Division</b>					
<b>Electric</b>					
Health Insurance	907,224	929,062	930,268	902,675	
Workmans Comp	(4,436)	55,462	33,164	45,248	
Other Benefits	1,588,453	1,266,541	1,422,277	1,257,267	
	<b>\$2,491,241</b>	<b>\$2,251,065</b>	<b>\$2,385,709</b>	<b>\$2,205,190</b>	<b>-2.04%</b>
<b>Water</b>					
Health Insurance	419,172	497,712	459,919	483,576	
Workmans Comp	12,051	29,712	24,312	24,240	
Other Benefits	571,581	678,504	654,038	673,536	
	<b>\$1,002,804</b>	<b>\$1,205,928</b>	<b>\$1,138,269</b>	<b>\$1,181,352</b>	<b>-2.04%</b>
<b>Reclamation</b>					
Health Insurance	363,565	647,026	486,978	628,649	
Workmans Comp	22,054	38,626	31,749	31,512	
Other Benefits	558,430	882,055	729,483	875,597	
	<b>\$944,049</b>	<b>\$1,567,707</b>	<b>\$1,248,210</b>	<b>\$1,535,758</b>	<b>-2.04%</b>
<b>TOTAL EMPLOYEE BENEFITS</b>	<b>\$4,438,094</b>	<b>\$5,024,700</b>	<b>\$4,772,188</b>	<b>\$4,922,300</b>	<b>-2.04%</b>

## ***Human Resources*** ***(in thousands)***

### ***Cost of Benefits***



**Grand Total \$ 17,737,100**

### Average Employee Compensation

Salary	\$71,160
Health Insurance	\$11,194
Retirement & Other Benefits	\$16,152
Total	<u>\$98,506</u>



## ***5-Year Budget Projections***

***FY 2021 to FY 2025***

**UTILITIES COMMISSION**  
**5-YEAR PROJECTIONS FY 2021 TO FY 2025**  
**COMBINED SYSTEMS**

	<b>FY 2021 BUDGET</b>	<b>FY 2022 FORECAST</b>	<b>FY 2023 FORECAST</b>	<b>FY 2024 FORECAST</b>	<b>FY 2025 FORECAST</b>
<b>1. Revenues:</b>					
2. Electric	\$48,366,100	\$49,167,341	\$50,421,883	\$51,610,083	\$53,042,192
3. Water	8,894,800	9,081,909	9,210,384	9,394,310	9,539,567
4. Reclamation	10,567,500	10,797,691	11,075,523	11,262,526	11,490,410
<b>5. Total Revenues</b>	<b>67,828,400</b>	<b>69,046,941</b>	<b>70,707,791</b>	<b>72,266,920</b>	<b>74,072,168</b>
<b>6. Other Revenue Sources:</b>					
7. R & R Contribution	2,597,700	2,404,888	2,517,636	2,636,020	2,760,321
8. Infrastructure Contribution	225,000	225,000	225,000	225,000	225,000
<b>10. Total Other Sources</b>	<b>2,822,700</b>	<b>2,629,888</b>	<b>2,742,636</b>	<b>2,861,020</b>	<b>2,985,321</b>
<b>11. Balance</b>	<b>70,651,100</b>	<b>71,676,829</b>	<b>73,450,426</b>	<b>75,127,940</b>	<b>77,057,489</b>
<b>12. Operation &amp; Maintenance Expenses:</b>					
<b>Direct Cost Centers</b>					
13. Purchased Power	20,553,100	20,880,096	21,215,560	21,558,477	21,909,030
14. Electric Operations	10,651,650	10,917,941	11,190,890	11,470,662	11,757,429
15. Water Operations	4,107,200	4,209,880	4,315,127	4,423,005	4,533,580
16. Reclamation Operations	3,667,950	3,759,649	3,853,640	3,949,981	4,048,730
<b>Indirect Cost Centers</b>					
17. Administration	1,031,700	1,057,494	1,083,931	1,111,029	1,138,805
18. Information Technology	1,915,000	1,962,875	2,011,947	2,062,246	2,113,802
19. Human Resources	5,414,550	5,549,914	5,688,662	5,830,878	5,976,650
20. Central Services	1,737,750	1,781,194	1,825,724	1,871,367	1,918,151
21. Engineering	1,987,600	2,037,290	2,088,222	2,140,428	2,193,939
22. Finance/Customer Service/Purchasing	2,670,200	2,736,955	2,805,379	2,875,513	2,947,401
<b>23. Total O&amp;M Expenses</b>	<b>53,736,700</b>	<b>54,893,287</b>	<b>56,079,080</b>	<b>57,293,586</b>	<b>58,537,516</b>
<b>24. Balance</b>	<b>16,914,400</b>	<b>16,783,542</b>	<b>17,371,346</b>	<b>17,834,354</b>	<b>18,519,973</b>
<b>25. To Debt Service Fund:</b>					
29. Certificates	4,601,800	4,585,300	4,575,800	4,567,800	4,561,050
<b>30. Total Debt Service</b>	<b>4,601,800</b>	<b>4,585,300</b>	<b>4,575,800</b>	<b>4,567,800</b>	<b>4,561,050</b>
<b>31. Balance</b>	<b>12,312,600</b>	<b>12,198,242</b>	<b>12,795,546</b>	<b>13,266,554</b>	<b>13,958,923</b>
<b>32. To Capital Improvement Plan:</b>					
33. Transfer to R & R Contribution	3,320,122	3,470,002	3,568,013	3,618,634	4,116,436
34. Additional Required	2,986,928	2,890,632	3,222,594	3,478,155	3,489,757
35. Contributed Capital and Easement	450,000	150,000	150,000	150,000	150,000
36. Transfer to R & R - Restricted Fund	1,298,850	1,363,793	1,431,982	1,503,581	1,578,760
38. Transfer to - Infrastructure Fund	225,000	225,000	225,000	225,000	225,000
<b>39. Total To Capital Improvements</b>	<b>8,280,900</b>	<b>8,099,427</b>	<b>8,597,589</b>	<b>8,975,370</b>	<b>9,559,953</b>
<b>40. Balance</b>	<b>4,031,700</b>	<b>4,098,814</b>	<b>4,197,957</b>	<b>4,291,184</b>	<b>4,398,969</b>
41. Transfer to City	4,031,700	4,098,814	4,197,957	4,291,185	4,398,969
<b>42. Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**UTILITIES COMMISSION**  
**5-YEAR PROJECTIONS FY 2021 TO FY 2025**  
**ELECTRIC SYSTEM**

	<b>FY 2021 BUDGET</b>	<b>FY 2022 FORECAST</b>	<b>FY 2023 FORECAST</b>	<b>FY 2024 FORECAST</b>	<b>FY 2025 FORECAST</b>
<b>1. Revenues:</b>					
<b>2. Direct Sales:</b>					
3. Metered Billings	\$36,570,800	\$37,213,982	\$37,850,021	\$38,424,399	\$39,170,466
4. Load Management Credits	(189,800)	(\$191,718)	(\$193,635)	(\$195,572)	(\$197,527)
5. Energy Cost Adjustments	9,996,400	\$10,130,702	\$10,724,814	\$11,313,633	\$11,974,045
6. Underrecovery of Fuel Costs	750,000	750,000	750,000	750,000	750,000
7. Misc. Operating Revenue	661,100	677,585	694,467	711,769	729,503
8. Non Operating Revenue	577,600	586,790	596,217	605,854	615,705
<b>9. Total Revenues</b>	<b>48,366,100</b>	<b>49,167,341</b>	<b>50,421,883</b>	<b>51,610,083</b>	<b>53,042,192</b>
<b>10. Other Revenue Sources:</b>					
11. R&R Contribution	603,900	526,556	550,384	575,405	601,675
12. Infrastructure Contribution	75,000	75,000	75,000	75,000	75,000
<b>13. Total Other Revenue Sources</b>	<b>678,900</b>	<b>601,556</b>	<b>625,384</b>	<b>650,405</b>	<b>676,675</b>
<b>14. Balance</b>	<b>49,045,000</b>	<b>49,768,897</b>	<b>51,047,268</b>	<b>52,260,488</b>	<b>53,718,866</b>
<b>15. Operation &amp; Maintenance Expenses:</b>					
<b>Direct Cost Center</b>					
16. Purchased Power	20,553,100	20,880,096	21,215,560	21,558,477	21,909,030
17. Electric Operations	10,651,650	10,917,941	11,190,890	11,470,662	11,757,429
<b>Indirect Cost Centers</b>					
18. Administration	647,309	663,492	680,079	697,081	714,508
19. Information Technology	1,168,150	1,197,354	1,227,288	1,257,970	1,289,419
20. Human Resources	2,425,718	2,486,361	2,548,520	2,612,233	2,677,539
21. Central Services	859,706	881,199	903,229	925,809	948,955
22. Engineering	836,050	856,951	878,375	900,334	922,843
23. Finance/Customer Service/Purchasing	1,424,780	1,460,400	1,496,909	1,534,332	1,572,691
<b>24. Total O&amp;M Expenses</b>	<b>38,566,463</b>	<b>39,343,793</b>	<b>40,140,849</b>	<b>40,956,899</b>	<b>41,792,412</b>
<b>25. Balance</b>	<b>10,478,537</b>	<b>10,425,103</b>	<b>10,906,419</b>	<b>11,303,589</b>	<b>11,926,454</b>
<b>26. To Debt Service Fund:</b>					
27. 2020 Bond	2,291,696	2,283,479	2,278,748	2,274,764	2,271,403
<b>28. Total Debt Service</b>	<b>2,291,696</b>	<b>2,283,479</b>	<b>2,278,748</b>	<b>2,274,764</b>	<b>2,271,403</b>
<b>29. Balance</b>	<b>8,186,841</b>	<b>8,141,624</b>	<b>8,627,670</b>	<b>9,028,825</b>	<b>9,655,052</b>
<b>30. To Capital Improvement Plan:</b>					
31. Mandatory 8% Required	1,871,709	1,960,283	2,010,862	2,020,649	2,497,208
32. Additional Required	3,203,832	3,127,442	3,487,676	3,807,646	3,871,488
33. Contributed Capital and Easement	150,000	50,000	50,000	50,000	50,000
34. Transfer to - Infrastructure Fund	75,000	75,000	75,000	75,000	75,000
<b>35. Total To Capital Improvement Plan</b>	<b>5,300,541</b>	<b>5,212,725</b>	<b>5,623,538</b>	<b>5,953,295</b>	<b>6,493,696</b>
<b>36. Balance</b>	<b>2,886,300</b>	<b>2,928,899</b>	<b>3,004,132</b>	<b>3,075,530</b>	<b>3,161,356</b>
37. Transfer to City	2,886,300	2,928,900	3,004,132	3,075,530	3,161,355
<b>38. Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



**UTILITIES COMMISSION**  
**5-YEAR PROJECTIONS FY 2021 TO FY 2025**  
**WATER SYSTEM**

	<b>FY 2021 BUDGET</b>	<b>FY 2022 FORECAST</b>	<b>FY 2023 FORECAST</b>	<b>FY 2024 FORECAST</b>	<b>FY 2025 FORECAST</b>
<b>1. Revenues:</b>					
2. Metered Billings	\$8,456,200	\$8,635,143	\$8,755,296	\$8,930,706	\$9,067,249
3. Misc. Operating Revenue	231,800	237,631	243,572	249,661	255,903
4. Non-Operating Revenue	206,800	209,135	211,516	213,943	216,415
<b>5. Total Revenues</b>	<b>8,894,800</b>	<b>9,081,909</b>	<b>9,210,384</b>	<b>9,394,310</b>	<b>9,539,567</b>
<b>6. Other Revenue Sources:</b>					
7. R & R Contribution	1,126,600	1,075,325	1,126,592	1,180,423	1,236,944
8. Infrastructure Contribution	75,000	75,000	75,000	75,000	75,000
<b>9. Total Other Revenue Sources</b>	<b>1,201,600</b>	<b>1,150,325</b>	<b>1,201,592</b>	<b>1,255,423</b>	<b>1,311,944</b>
<b>10. Balance</b>	<b>10,096,400</b>	<b>10,232,234</b>	<b>10,411,977</b>	<b>10,649,733</b>	<b>10,851,511</b>
<b>11. Operation &amp; Maintenance Expenses:</b>					
<b>Direct Cost Center</b>					
12. Water Operations	4,107,200	4,209,880	4,315,127	4,423,005	4,533,580
<b>Indirect Cost Centers</b>					
13. Administration	183,349	187,933	192,631	197,447	202,383
14. Information Technology	325,550	333,689	342,031	350,582	359,346
15. Human Resources	1,299,492	1,331,979	1,365,279	1,399,411	1,434,396
16. Central Services	433,684	444,526	455,639	467,030	478,706
17. Engineering	513,098	525,925	539,074	552,550	566,364
18. Finance/Customer Service/Purchasing	659,300	675,783	692,677	709,994	727,744
<b>19. Total O&amp;M Expenses</b>	<b>7,521,673</b>	<b>7,709,715</b>	<b>7,902,458</b>	<b>8,100,019</b>	<b>8,302,520</b>
<b>20. Balance</b>	<b>2,574,727</b>	<b>2,522,520</b>	<b>2,509,519</b>	<b>2,549,714</b>	<b>2,548,991</b>
<b>21. To Debt Service Fund:</b>					
22. 2020 Bond	1,095,228	1,091,301	1,089,040	1,087,136	1,085,530
<b>23. Total To Debt Service</b>	<b>1,095,228</b>	<b>1,091,301</b>	<b>1,089,040</b>	<b>1,087,136</b>	<b>1,085,530</b>
<b>24. Balance</b>	<b>1,479,499</b>	<b>1,431,218</b>	<b>1,420,479</b>	<b>1,462,578</b>	<b>1,463,461</b>
<b>25. To Capital Improvement Plan:</b>					
26. Mandatory 8% Required	650,448	689,783	709,226	723,302	737,189
27. Additional Required	(535,799)	(565,203)	(635,305)	(652,081)	(709,308)
28. Contributed Capital and Easement	150,000	50,000	50,000	50,000	50,000
29. Transfer to R & R - Restricted Fund	616,350	647,168	679,526	713,502	749,177
30. Transfer to - Infrastructure Fund	75,000	75,000	75,000	75,000	75,000
<b>31. Total To Capital Improvement Plan</b>	<b>955,999</b>	<b>896,748</b>	<b>878,447</b>	<b>909,723</b>	<b>902,058</b>
<b>32. Balance</b>	<b>523,500</b>	<b>534,470</b>	<b>542,031</b>	<b>552,855</b>	<b>561,403</b>
33. Transfer to City	523,500	534,470	542,031	552,855	561,404
<b>34. Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**UTILITIES COMMISSION**  
**5-YEAR PROJECTIONS FY 2021 TO FY 2025**  
**RECLAMATION SYSTEM**

	<b>FY 2021 BUDGET</b>	<b>FY 2022 FORECAST</b>	<b>FY 2023 FORECAST</b>	<b>FY 2024 FORECAST</b>	<b>FY 2025 FORECAST</b>
<b>1. Revenues:</b>					
2. Sales	\$10,393,400	\$10,620,879	\$10,895,958	\$11,080,147	\$11,305,154
3. Misc. Operating Revenue	9,400	9,652	9,894	10,141	10,394
4. Non-Operating Revenue	164,700	167,159	169,672	172,238	174,861
<b>5. Total Revenues</b>	<b>10,567,500</b>	<b>10,797,691</b>	<b>11,075,523</b>	<b>11,262,526</b>	<b>11,490,410</b>
<b>6. Other Revenue Sources:</b>					
7. R & R Contribution	867,200	803,008	840,659	880,193	921,702
8. Infrastructure Contribution	75,000	75,000	75,000	75,000	75,000
<b>9. Total Other Revenue Sources</b>	<b>942,200</b>	<b>878,008</b>	<b>915,659</b>	<b>955,193</b>	<b>996,702</b>
<b>10. Balance</b>	<b>11,509,700</b>	<b>11,675,698</b>	<b>11,991,182</b>	<b>12,217,719</b>	<b>12,487,112</b>
<b>11. Operation &amp; Maintenance Expenses:</b>					
<b>Direct Cost Center</b>					
12. Reclamation Operations	3,667,950	3,759,649	3,853,640	3,949,981	4,048,730
<b>Indirect Cost Centers</b>					
13. Administration	201,043	206,069	211,221	216,501	221,914
14. Information Technology	421,300	431,833	442,628	453,694	465,036
15. Human Resources	1,689,340	1,731,574	1,774,863	1,819,234	1,864,715
16. Central Services	444,360	455,469	466,856	478,527	490,490
17. Engineering	638,452	654,413	670,774	687,543	704,732
18. Finance/Customer Service/Purchasing	586,120	600,773	615,792	631,187	646,967
<b>19. Total O&amp;M Expenses</b>	<b>7,648,565</b>	<b>7,839,779</b>	<b>8,035,774</b>	<b>8,236,668</b>	<b>8,442,585</b>
<b>20. Balance</b>	<b>3,861,135</b>	<b>3,835,919</b>	<b>3,955,408</b>	<b>3,981,051</b>	<b>4,044,527</b>
<b>21. To Debt Service Fund:</b>					
22. 2020 Bond	1,214,875	1,210,519	1,208,011	1,205,899	1,204,117
<b>23. Total To Sinking Fund</b>	<b>1,214,875</b>	<b>1,210,519</b>	<b>1,208,011</b>	<b>1,205,899</b>	<b>1,204,117</b>
<b>24. Balance</b>	<b>2,646,260</b>	<b>2,625,400</b>	<b>2,747,397</b>	<b>2,775,152</b>	<b>2,840,410</b>
<b>25. To Capital Improvement Plan:</b>					
26. Mandatory 8% Required	797,965	819,937	847,925	874,683	882,040
27. Additional Required	318,895	328,394	370,222	322,590	327,577
28. Contributed Capital and Easement	150,000	50,000	50,000	50,000	50,000
29. Transfer to R & R - Restricted Fund	682,500	716,625	752,456	790,079	829,583
30. Transfer to - Infrastructure Fund	75,000	75,000	75,000	75,000	75,000
<b>31. Total To Capital Improvement Plan</b>	<b>2,024,360</b>	<b>1,989,956</b>	<b>2,095,603</b>	<b>2,112,352</b>	<b>2,164,200</b>
<b>32. Balance</b>	<b>621,900</b>	<b>635,444</b>	<b>651,795</b>	<b>662,800</b>	<b>676,210</b>
33. Transfer to City	621,900	635,444	651,795	662,800	676,211
<b>34. Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



***Proposed***

***Capital Improvement Plan***

***FY 2021 to FY 2030***

# Capital Improvement Plan FY 2021 - 2030

## Executive Summary

Starting with the 2020 Budget cycle, the CIP process was revamped to perform a complete bottoms-up capital budget bifurcating between Annual Projects (AP) and Major Projects (MP). AP reflects normal annual capital work such as pole installations, meter installations, etc. MP reflects unique specific capital projects that can span more than one year. MP examples include 115 kV Smyrna Substation and Pole Replacements [Electric], Lift Station #5 Reconstruction [Wastewater], Barracuda Bridge Utility Improvement [Water], Water Reclamation Facility (WRF) Reclaimed Pond Expansion [Reuse].

Starting in FY 2020, the UC embarked on a grid and water modernization and optimization studies to evaluate where the UC can make process and infrastructure and systems investments to improve electric and water operations, reduce costs and to facilitate the ability to provide our customers Utility of the Future services. We are in the process of consolidating the studies into a long-term cohesive strategy and multi-year “Modernization Roadmap” implementation plan. As we formulate the plan, the long-term strategic goals will be incorporated into subsequent UC capital budgets in a mindful and methodical manner. Prior to proceeding with any implementation plan, we expect to review and request approval for the overall Modernization Roadmap and associated project portfolio from the UC Commission in a Workshop to be scheduled in the fall of 2020.

For the 2021 CIP Budget, a thorough review was performed by each Director of their respective areas to identify the capital projects that are critical to the continued reliability of the UC’s infrastructure. Each project’s risk profile was evaluated for its impact to the UC’s existing infrastructure and probability of occurrence, work category (i.e. reliability/performance, interagency, etc.) along with a monthly spend forecast for the first two years. Multiple prioritization and challenge sessions were held with the management team to ensure that the right mix of electric, water and wastewater projects were prioritized in the 2021 budget with line of sight to completion. All projects are prioritized in ranking order to assure; compliance, risk, business needs and system performance receive appropriate consideration for budget funding.

The 2021-2030 CIP Budget is broken down in the following manner:

Category	Est. Total Through 9/30/20	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026-2030
Total Common	\$ 2,680,481	\$ 1,488,262	\$ 1,521,000	\$ 4,030,500	\$ 1,552,500	\$ 1,619,000	\$ 1,438,000
Total Electric	2,141,550	9,841,576	8,811,943	9,609,618	8,749,000	8,804,000	21,256,500
Total Water	661,782	4,134,025	4,387,500	5,641,500	4,926,000	7,360,000	12,329,500
Total Reclamation	1,206,858	4,194,460	5,259,000	4,703,000	8,969,100	5,308,200	34,821,300
Grand Total CIP	\$ 6,690,671	\$ 19,658,323	\$ 19,979,443	\$ 23,984,618	\$ 24,196,600	\$ 23,091,200	\$ 69,845,300

The subsequent pages reflect the Major and Annual projects’ detail reflecting the significant amount of effort by the team to prioritize the projects by their respective criticality to the UC’s infrastructure.

### Capital Improvement Summary *(whole dollars)*

		Prior Years	2021	2022	2023	2024	2025	2026-2030	TOTAL '21-'30
Common Improvements		\$ 2,680,481	\$ 1,488,262	\$ 1,521,000	\$ 4,030,500	\$ 1,552,500	\$ 1,619,000	\$ 1,438,000	\$ 11,649,262
Electric Improvements		2,141,550	9,841,576	8,811,943	9,609,618	8,749,000	8,804,000	21,256,500	67,072,637
Water Improvements		661,782	4,134,025	4,387,500	5,641,500	4,926,000	7,360,000	12,329,500	38,778,525
Wastewater Improvements		1,206,858	4,194,460	5,259,000	4,703,000	8,969,100	5,308,200	34,821,300	63,255,060
<b>Total</b>		<b>\$ 6,690,671</b>	<b>\$ 19,658,323</b>	<b>\$ 19,979,443</b>	<b>\$ 23,984,618</b>	<b>\$ 24,196,600</b>	<b>\$ 23,091,200</b>	<b>\$ 69,845,300</b>	<b>\$ 180,755,484</b>

		Prior Years	2021	2022	2023	2024	2025	2026-2030	TOTAL '21-'30
<b>Electric</b>	Transfer from Restricted R & R	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Mandatory Transfer to R & R	1,069,613	1,871,709	2,268,931	2,301,838	2,350,267	2,434,800	13,491,484	24,719,030
	Additional Transfer to R & R	2,406,817	-	-	-	2,522,270	806,262	716,124	4,044,656
	Alternate Financing/Grants	-	8,711,021	7,300,470	9,314,969	4,649,607	6,369,200	7,765,016	44,110,283
		3,476,430	10,582,731	9,569,401	11,616,807	9,522,145	9,610,262	21,972,624	\$ 72,873,970
<b>Water</b>	Transfer from Restricted R & R	-	-	1,331,500	1,571,000	-	-	-	2,902,500
	Mandatory Transfer to R & R	363,924	650,448	644,168	711,580	726,553	736,831	3,864,623	7,334,202
	Additional Transfer to R & R	935,813	-	-	-	1,205,422	385,322	342,244	1,932,988
	Alternate Financing/Grants	-	3,837,783	2,773,830	4,318,179	3,363,520	6,623,169	8,464,877	29,381,359
		1,299,736	4,488,231	4,749,498	6,600,759	5,295,495	7,745,322	12,671,744	41,551,049
<b>Wastewater</b>	Transfer from Restricted R & R	-	-	-	-	-	-	-	-
	Mandatory Transfer to R & R	447,219	797,965	819,007	845,402	863,815	886,042	4,679,871	8,892,103
	Additional Transfer to R & R	1,467,286	-	-	-	1,337,107	427,416	379,632	2,144,155
	Alternate Financing/Grants	-	3,789,397	4,841,537	4,921,650	7,178,038	4,422,158	30,141,429	55,294,207
		1,914,505	4,587,361	5,660,544	5,767,052	9,378,960	5,735,616	35,200,932	66,330,465
<b>TOTAL</b>	Transfer from Restricted R & R	-	-	1,331,500	1,571,000	-	-	-	2,902,500
	Mandatory Transfer to R & R	1,880,755	3,320,122	3,732,107	3,858,820	3,940,635	4,057,672	22,035,979	40,945,335
	Additional Transfer to R & R	4,809,916	-	-	-	5,064,800	1,619,000	1,438,000	8,121,800
	Alternate Financing/Grants	-	16,338,201	14,915,836	18,554,798	15,191,165	17,414,528	46,371,321	128,785,849
		<b>\$ 6,690,671</b>	<b>\$ 19,658,323</b>	<b>\$ 19,979,443</b>	<b>\$ 23,984,618</b>	<b>\$ 24,196,600</b>	<b>\$ 23,091,200</b>	<b>\$ 69,845,300</b>	<b>\$ 180,755,484</b>