

## Utilities Commission 22 February 2021

**Participants:** Chair Jack Holcomb, Vice Chair Buddy Davenport, Secretary-Treasurer Lillian Conrad, Assistant Secy. Treasurer Richard Hawes, Commissioner Jim Smith, General Counsel Thomas Cloud and GM Joe Bunch.

**Approval of Consent Items** All items were **unanimously approved**.

Commissioner Smith expressed concern with the amount of work in having an agenda packet of over 400 pages. GM Bunch a current search for software to assist with the transcription, but detail on decisions must be documented per legal requirements and good business practice.

**Ratification Approval** Fleet fueling services Inter-Local agreement with the City of NSB

**Additional funding request - Vegetation Management Program (re: electric reliability performance).** Discussion involved a total 3-year contract at \$2.5M which included a \$1M first year. The width and accessibility points along electric feeder lines caused the increase. This per-mile bid decreases yearly with removal of over 110 trees, large brush, etc., also lowering later yearly maintenance costs. Removals intend to mitigate power outages.

**Project Approval** Corrective Wastewater Maintenance projects (Sugar Mill development).

**Project Approval** New Circuit #29 construction from the Smyrna Substation. Discussion centered on a major decrease in power outages for Sugar Mill & Venetian Bay.

**Contract Approval — Cost Sharing with City on Septic to Sewer Study** Vice Chair Davenport led discussion. He wanted to make certain that Oliver Estates & Sliver Sands are included. Several months ago a resident of Oliver Estates had requested a septic to sewer possibility. He will lobby legislature for grant money. GM Bunch stated all areas will be included in the study and that the UC and City will continue working together implementation that will follow discovered results. Counsel Cloud noted that Vice Mayor Hartman is very good at seeking grant money for the City.

**General Manager's Report**

**Financial Report** - January 2021 YTD statements show negative \$100k change in net assets driven by lower capital input, slight operating increase offset by increased revenue from higher electric and reclaimed water volumes with continued purchase power favorability. Over the year, electric sales were up 7% and reclaimed water customers increase 13.5%. Chair Holcomb cited growth mode shown in the current average home price being \$300k with 45% of residential sales by cash. Chair Holcomb inquired if our rates could spike due to weather events as happened in Texas. GM Bunch pointed out that Texas had not implemented recommendations from their prior failure in 2011, so it was no surprise it would happen again.

**Balanced Scorecard with Key Performance Indicators** all doing well with Customer Service metrics back to pre-COVID numbers and Materials management all in the green. Human Resources remains short 12 positions while actively recruiting 4 positions. Information Technology showed improved in employee cyber security participation from Dec. 2020. Help Desk tickets close-out remains green.

**New Business** All items were **unanimously approved** but note discussions.

**Proposed UC Resolution #2021-01** replaces capacity fees with new capital connection fees.

**Proposed UC Resolution #2021-02** reconciles developer agreements and infrastructure fee policy. Chair Holcomb abstained. Water rates and capital connection fees will increase in approximately 90 days. Last water rate increase was in 2011.

**FPL and UC Extension of current purchase power agreement** through the end of 2024 with an extension to 2027; provides about 3% of our energy needs and saves UC \$300k

**Master Power purchase and sale agreement with Tyr Energy** (short-term wholesale energy purchases; account for about 5% of energy needs; allows for spot purchases on the short-term wholesale market hour by hour for any needs that arise.

**UC Strategic Reviews & Studies** of Management and Governance Guidelines (proposed Resolution #2021-03). Provides a guideline for a detailed master review plan covering monthly budgets, annual metrics goal setting, operational planning and execution/monitoring and considering rates every 3 years instead of 5.

**GM/CEO Merit Reward Determination** Merit increase brings total salary effective 2/1/2021 to \$257K plus COLA increase. Lengthy discussion centered on the various studies that were made and how the "market" salary target was determined. GM received extremely high leadership rating by each commissioner and several commented capability aspects of a demanding job.