

Utilities Commission Meeting 28 June 2021

Participants Vice-Chair Buddy Davenport, Secretary-Treasurer Lillian Conrad, Assistant Secretary-Treasurer Rick Hawes, Commissioner James Smith, Counsel Thomas Cloud, and GM Joe Bunch

Safety Message Reclaimed water should never be “connected” to inside plumbing, as has been discovered recently.

Approval of Consent Items All unanimously approved

- **Granted and accepted third party utility easements.**
- **Purchase** of Sherman Reilly Underground Puller.
- **Advanced Metering Infrastructure Project**
- **Ratification of Award - ITB No. 12-21 - 3 Phase Reclosures** awarded to Southern States, LLC
- **Pole Replacement** Currently there are 12,000 poles in the UC system. 200 require replacement at a cost of \$3-5,000 per pole. There was some discussion on the current rental rate (“Pole attachment fee) of \$31 being paid by various communications companies.
- **Coastal Woods D:** Pike Electric, LLC Additional Construction Support Funding for transformers, cable and related labor, a normal UC responsibility
- **Assignment of Work:** Pike Electric & Asplundh annual projects increase.

General Manager’s Report

- **May YTD** reflects a change in net assets of \$0.3M with capital expenditures of \$10.8M that included \$6.5M in major projects and \$4.3M in annual projects. Major projects include generator replacements, south beach pump station, lift station #5 reconstruction, 5th Street and Barracuda Bridge relocations, etc. Annual projects include pole inspection & replacement, potable water meter installations, sewer relining (resin solution is used to fill cracking), etc.
- **UC 2022 Budget Unanimously approved; remains subject to city approval**
The \$179.9M **10-year Capital Improvement Plan** is in its 3rd year of projected growth and covers projects in the approved *Modernization Roadmap Plan*
 - advanced metering infrastructure,
 - telecom strategy including UC Fiber Ring to UC key locations,
 - upgrades for preventing “duration” sequences for electric, water and wastewater,
 - Glencoe Water Treatment,
 - Facility improvements,
 - water reclamation facility aeration system improvements,
 - storage pond expansion and biosolids upgrade.

The Electric Reliability Improvement Plan has a 3-year goal to reduce outage frequency to less than 1 interruption per customer with a duration less than 60 minutes.
- **The 2022 \$28.3M budget reflects major initiatives:**
 - Glencoe Water Treatment Plan,
 - Water Reclamation Facility,
 - electric reliability improvements
 - municipal fiber ring
 - annual projects of normal preventative capital work such as pole replacements, meter installations & proactive sewer relining.

- a new line item known as “third party projects” that the UC does not control, but incurs costs, such as 10th street relocation, Barracuda Bridge and 5th street bridge, basically replacements that are controlled by State, County and City regulatory bodies.
- **\$56.4M Operating budget reflects a 5% increase from 2020** due to increased contracting including transmission, Right of Way vegetation management, employee benefit increases, etc.

Commission Counsel’s Report

- The discrepancy between pole cost and “pole attachment” fees will be discussed in lobbying circles for a possible fee increase.
- Next month the exact location of Williamson extension from Pioneer Trail to Rt. 44 should be known.

New Business Both the Rate study and the 2022 Budget were unanimously approved

The 2020-2021 Utility Rate Study : The study can be found beginning at page 219 of the [agenda packet](#). Highlights of the report include:

1. The electric rates in NSB are the lowest in Florida and the water rates remain the lowest among our peer cities.
2. It recommends a goal for establishment of a 90-day cash reserve.
3. It endorses that a rate study be conducted every three years
4. It recommends a rate increase for electric, and water phased in over the next four years.

The formula for utility rates will be published on the Utilities website in July. July statements will have an insert showing the web address where customers may review the details of the rate study and the recommended rate increases. Additionally, the UC will hold TWO public meetings to explain the rate increase recommendation. One in July and another in August at a location and time to be determined.

It should be noted that any rate increase must have the approval of the City Commission before being implemented.

UC’s 2022 Budget Plan - see General Manager’s report above.

Commissioner comments:

- Vice-Chair Buddy Davenport stated that he appreciates the transparency of the UC.
- GM Joe Bunch advised that the UC will sponsor a work day at Habitat for Humanity on July 23.