

## Utilities Commission Meeting 22 November 2021

**Safety Message** Electric Transmission & Distribution Safety improvements have been implemented to mitigate personnel hazard exposures that might result in slips, falls, trips, sprains, or strains. Safety mats have been placed in front of ice machines and high visibility vehicle steps mats installed. Mechanical tools have been replaced with battery operated tools to lessen muscle fatigue. Crews must now do a 360 degree walk-around of vehicles, a daily vehicle inspection and have received improved work lighting, including helmet lights for night work.

**Participants** Buddy Davenport (via cell phone), Vice Chair Rich Hawes, Secretary Treasurer Lillian Conrad, Assistant Secretary-Treasurer James Smith, Commissioner L. Kelly, Jr., Counsel Thomas Cloud and GM/CEO Joe Bunch.

**Public Participation** A resident lost power to his AC & dryer and requested reimbursement for the electrician he'd hired prior to the UC's discovery that the cause was a fallen tree limb that damaged a feeder line. After considerable discussion, the Commissioners unanimously denied his request based upon their "act of God" policy.

### Approval of Consent Items All unanimously approved

- a) **Minutes of Regular U.C. Meeting Held 10-26-21**
- b) **Granted and Accepted Third Party Utility Easement** (Jefferson St. Parking Lot – City of NSB)
- c) **Project Approval – Lift Station No. 10 Improvements Project** (Engineering Services by Tetra Tech)
- d) **Contract Renewal – Cogsdale Software** Annual Renewal, Extended Maintenance and Support Contract

### General Manager's Report

**Financial Status** October 2021 reflects a \$1.6M increase. Capital expenditures were approximately \$1.3M with most going to Sugar Mill Cable Replacement.

**Educational Presentation on Electrification and UCNSB's Approach** Electrification refers to the process of replacing technologies that use fossil fuels with technologies that use electricity as a source of energy.

- The UC will determine both the possibilities and challenges within their organization such as fleet transportation (currently only 3% EV), EV Public Charging Infrastructure and "buildings as a grid" approach and smart building management systems.
- The U.S. Department of Energy estimates that 80% of EV charging will be done at home. Large scale EV adoption means public charging stations need to be widely accessible. Fleets present an even greater challenge.
- Buildings as a grid and a smart building management system (integrated HVAC, lighting systems, etc.) utilizes automated diagnostics and demand response, dynamic occupancy tracking, energy savings measurement, and smart grid integration.

- Challenges include the pressures EV charging stations and at-home charging place on the local power grid; potential regulations for EV integration; charging infrastructure, etc.
- Currently, FPL has a 10.7% **Return On Investment** approved on \$150M public charging infrastructure investment, plus whatever their revenue is from the stations. UC must pay for the cost of capital invested at bond rate plus the ROI dependent on charging revenue.
- The UC will conduct a feasibility study in 2022 to address the specifics of electrification of their fleet, investment in public EV charging infrastructure, and preparation for impacts on the power supply and infrastructure.

#### **Commission Counsel's Report Unanimously Approved**

- a) **Inter-local Agreement with the City of New Smyrna Beach** Related to Management of Utility Property Title. The City and UC must be separate to allow bonds to be raised by each along with clear disposal of any of the 800 acres known as the Western Utility complex and the present office building located at 200 Canal.
- b) **5 G Pole Attachment** consistent with the AT&T agreement.

#### **New Business Unanimously Approved**

- a) **Wholesale Power Transaction Policy (Governance) Proposed U.C. Resolution No. 2021-12**  
This new policy formalizes current practice and details how the UC will secure power in the wholesale energy market, defines types of transactions that are permitted and prohibited, specifies roles and responsibilities of management staff and the Commission, defines different wholesale energy transactions, describes the controls over records/invoice processing, and defines the reporting requirements for the Director of System Operations and System Operators.

Short-term wholesale spot-market purchases accounted for less than 1.8% of energy purchases FY 2021. These primarily meet the UC's hourly load requirements. Most purchases are based on long-term firm capacity. Energy contracts with FPL provide the bulk of the purchased power. In December 2023, 10 MW of "solar" power will come online at an attractive price.

- b) **Revised (Updated) Investment Policy (Governance) Proposed U.C. Resolution No. 2021-13**  
Established in 1995, with only minor revisions made to the initial policy in June 2015. Current UC investments are centralized with Bank of America with an interest rate of only 0.025% that generates \$22K interest on \$90M. The revised policy reflects updated governance and investment selections while retaining the preservation of capital as the highest investment priority.

The Florida Municipal Power Agency (currently handling their own \$500M portfolio) will act as an agent on behalf of the UC to provide investment management assistance per the newly revised policy. The exact amount to be invested will be presented at December 2021 meeting with authorized types of securities. Future steps include a custodial account to be established at Wells Fargo Bank with the CFO to determine funds to be transferred for investment as well as where to invest Commission funds in accordance with the policy.

