



**New Smyrna Beach**  
**... UTILITIES ...**

**July 2022 Commission Meeting**  
**June Financial Performance**

**July 25, 2022**

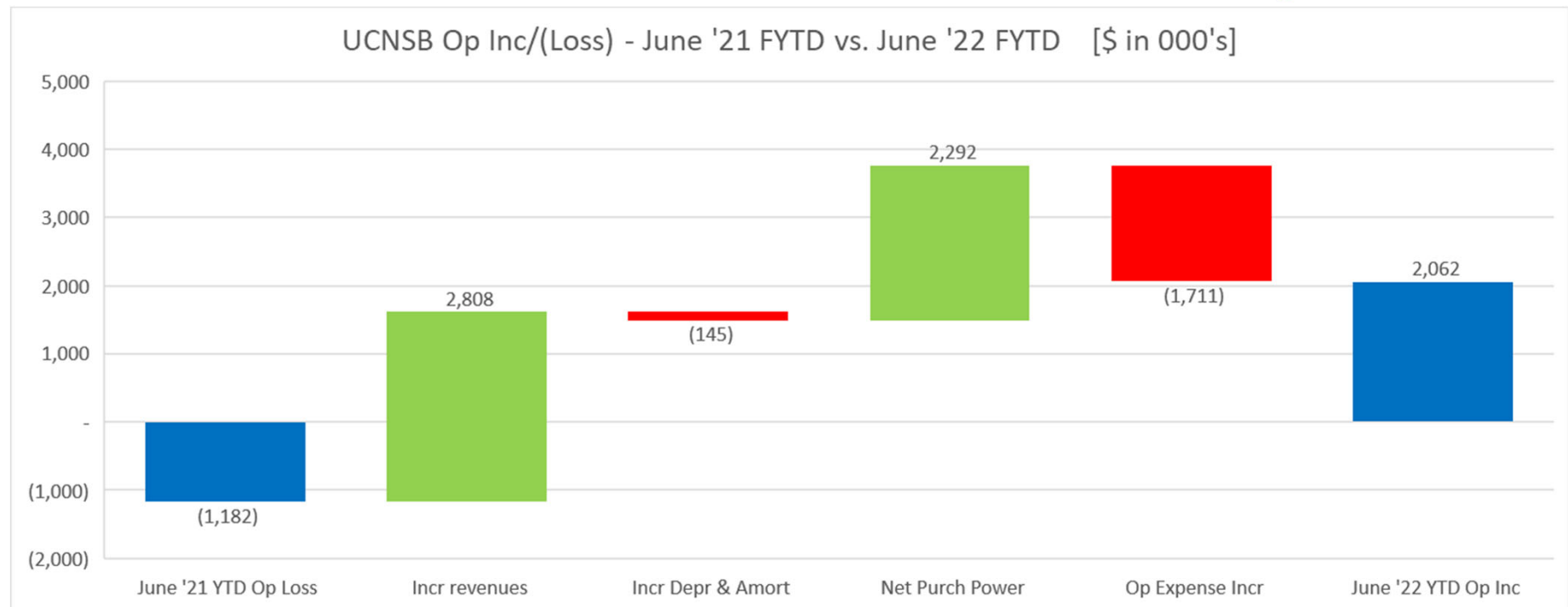
# June 2022 Results



- June 2022 FYTD financial statements reflect a change in net assets of approximately \$4.5M
  - Driven by increased revenue offset by increased purchased power and operating expenses. Purchased Power costs are monitored constantly to determine subsequent period impacts.
  - Year-over-Year electric consumption is essentially flat [higher by 0.1%] driven by milder weather [slightly lower cooling degree days vs. prior year]. June FYTD purchased power\*\* is \$65.74 per MWh or 26.6% greater than the prior year
    - Nat Gas\*\* [Henry Hub] MMBtu: June 2022 \$7.70 vs. June 2021 \$3.26 or 136% greater than the PY
  - Water consumption is higher: 4.2% water, 3.3% wastewater and 7.3% reclaimed
  - \$0.5M Mark-to-Market (MTM) adjustment (non-cash) is the required accounting entry to record the UC's investments at their fair market value
  - Hurricane Dorian FEMA reimbursement received \$0.2M, reflected in Non-Operating Expenses
- 2022 FYTD capital expenditures approximately \$14.5M: \$8.6M in Major Projects and \$5.9M in Annual Projects
  - Major project spend included; WRF Reclaimed Pond Expansion, Electric Reliability Improvement Program (ERIP) Lines 4, 7, 14, 15, 16, 25, and 26, Lift Station 5 Reconstruction, Lift Station 3 Improvements, Mobile Radios, Line 17 Rebuild, 10<sup>th</sup> Street Road Realignment, Glencoe Wells (#2 & #3) upgrade, MCC Roof Replacement, Glencoe Water Treatment Plant Improvements, AMI
  - Annual project spend included; gravity sewer lining and rehabilitation, Line trucks (Electric) and Hydro Vac, pole replacements, tools & equipment, and new business electric & water installations

*\*\*Purchased power is impacted by the cost of natural (nat) gas. FPL which provides the majority of UC's purchased power uses nat gas to provide approx. 70% of its power.*

# June 2022 Op Income / (Loss)

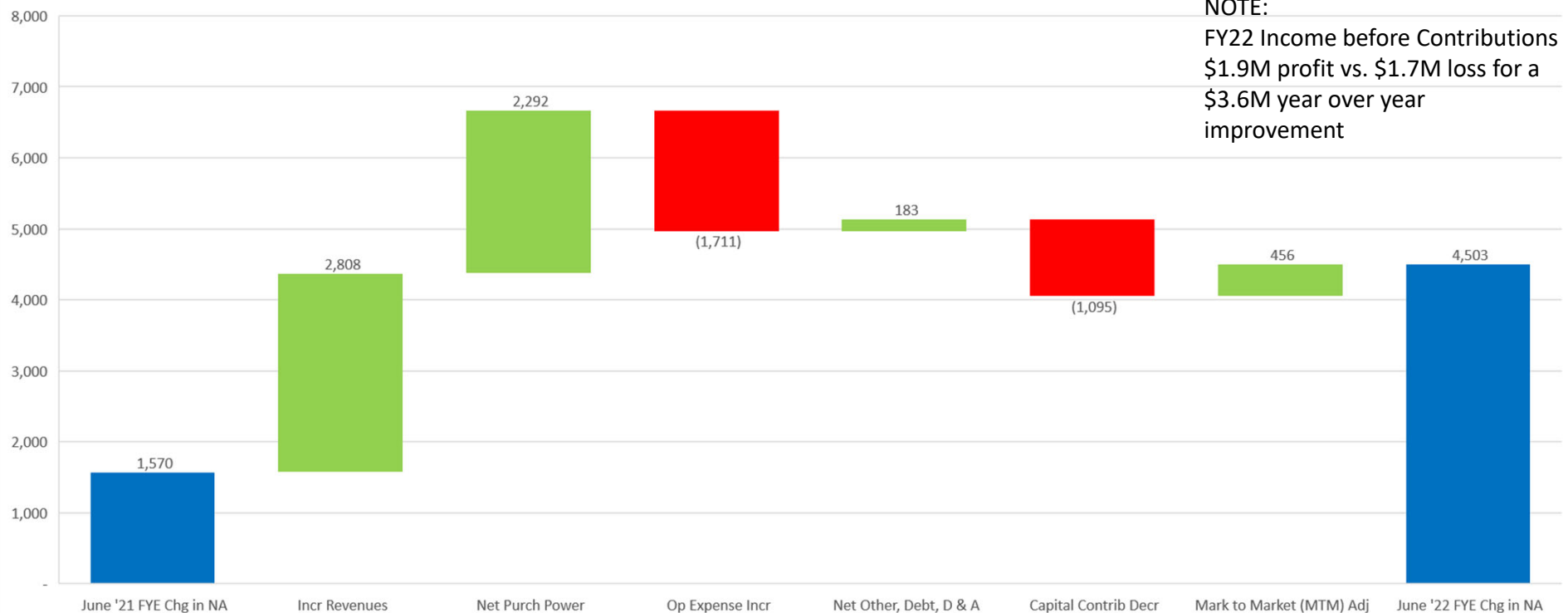


- June '22 operating income of \$2.1M is \$3.2M > June '21. FYTD driven by: increased revenues (rates and usage) and continued customer growth partially offset by purchased power & operating expenses and essentially flat electric consumption [0.1% increase]
- The FPPCAC was adjusted to \$4.25 per 1,000 kWh [Effective with May billing cycle] due to the increased cost of purchased power and to maintain an adequate reserve. The June 2022 over-recovery balance is \$1.6M. Based on current purchased power costs and forecasted reserve, a FPPCAC increase is forecasted effective October 1<sup>st</sup>.
- FPPCAC = Fuel and Purchased Power Cost Adjustment Clause. Over-recovery Target balance is ~\$5.0M.

# June 2022 Change in Net Assets



UCNSB Change in Net Assets - June '21 FYTD vs. June '22 FYTD [\$ in 000's]



## NOTE:

FY22 Income before Contributions \$1.9M profit vs. \$1.7M loss for a \$3.6M year over year improvement

- June '22 Change in Net Assets was \$4.5M which was \$2.9M greater than June '21. The June FYTD is driven by: increased revenues (rates and usage), customer growth, Hurricane Dorian FEMA reimbursement [\$0.2M one-time] and MTM (non-cash) adjustment; partially offset by increased purchased power and operating expenses.
- June '22 Capital Contributions were \$2.2M which was \$1.1M lower than the prior year. The June FYTD capital contributions comprised primarily of cash.

# Appendix

# June 2022 KPI Update



PERSPECTIVE	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	YTD RATE	YE FCST	TARGET
<b>SAFETY &amp; RISK</b>															
OSHA Incident	1	0	1	0	0	0	0	0	1				1.85	1.85	< 1.5
OSHA Severity Rate	0	0	0	0	0	0	0	0	0				0.00	0.00	< 2.0
Preventable Motor Vehicle Accidents	0	0	0	0	0	1	0	0	0				0.014	0.039	< 0.07
Third Party Claims	0	0	0	1	0	1	0	0	0				0.007	0.010	MONITOR
<b>ELECTRIC</b>															
<i>Electric Reliability</i>															
SAIDI	13.97	26.95	8.02	3.88	16.58	13.57	6.79	4.41	6.02				100.19	122.49	< 76.62
CAIDI	128.37	49.64	14.78	50.32	66.22	41.58	37.27	71.16	29.99				43.64	44.80	< 55.05
SAIFI	0.11	0.54	0.54	0.08	0.25	0.33	0.18	0.06	0.20				2.29	2.73	< 1.37
<i>Financial</i>															
EL O&M Cost/Customer			\$ 564			\$ 597			\$ 620				\$ 620	\$ 626	< \$ 632
EL Avg Capital Cost/Customer			\$ 242			\$ 264			\$ 253				\$ 253	\$ 318	MONITOR
<b>WATER RESOURCES</b>															
<i>Water Resources Reliability</i>															
Gross Water Loss (gal/connection/day)	17.02	(0.49)	1.21	8.52	13.08	14.11	22.59	32.63	14.55				13.69	12.58	< 17.48
WR Major Breaks/100 Miles	0.31	0.00	0.31	0.31	0.00	0.31	0.31	0.00	0.00				1.56	2.19	< 4.00
WR Break Repair Time (hr/100 miles)	0.54	0.00	0.31	4.69	0.00	0.31	0.42	0.00	0.00				8.35	7.20	< 8.00
WW Major Breaks/100 Miles	0.00	0.00	0.00	0.00	1.00	1.00	0.00	0.00	0.00				1.82	1.82	< 1.91
WW Break Repair Time (hr/100 miles)	0.00	0.00	0.00	0.00	0.45	0.45	0.00	0.00	0.00				0.91	0.91	< 2.87
<i>Financial</i>															
WR O&M Cost/Customer			\$ 253			\$ 276			\$ 288				\$ 288	\$ 296	< \$ 318
WW O&M Cost/Customer			\$ 277			\$ 300			\$ 313				\$ 313	\$ 325	< \$ 350
WR/WW Avg Capital Cost/Customer			\$ 231			\$ 204			\$ 205				\$ 205	\$ 224	MONITOR

# June 2022 KPI Update



PERSPECTIVE	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	YTD RATE	YE FCST	TARGET
<b>CUSTOMER SERVICE</b>															
<i>Customer Service</i>															
Customer Service Level	94.9%	92.5%	97.6%	95.1%	98.0%	93.8%	91.4%	91.9%	90.6%				94.1%	94.3%	> 90%
Abandoned Call Rate	1.5%	1.8%	1.2%	1.7%	0.9%	2.7%	2.5%	2.8%	2.4%				1.9%	1.7%	< 2.0%
Average Speed to Answer	54	72	41	56	32	57	73	75	88				61	59	< 75
<i>Billing &amp; Collections</i>															
Percent of Meters Read - EL	99.94%	99.94%	99.94%	99.96%	99.83%	99.95%	99.96%	99.98%	99.95%				99.94%	99.94%	> 99.92%
Percent of Meters Read - WR	99.43%	99.25%	99.41%	99.56%	99.49%	99.34%	99.49%	99.20%	99.12%				99.37%	99.33%	> 98.55%
Percent of Re-reads - combined	0.26%	0.35%	0.29%	0.20%	0.29%	0.30%	0.23%	0.35%	0.41%				0.30%	0.32%	< 0.70%
Estimated Bills	0.08%	0.11%	0.04%	0.05%	0.09%	0.08%	0.06%	0.08%	0.08%				0.08%	0.07%	< 0.25%
Uncollectible Rev. as % of Billed Rev.	0.15%	0.17%	0.11%	0.14%	0.22%	0.08%	0.19%	0.14%	0.13%				0.15%	0.13%	< 0.20%
<b>ORGANIZATIONAL CAPACITY</b>															
<i>Materials Management</i>															
Avg. # of day to issue PO <\$75,000	2	2	1	1	2	2	2	2	2				2	2	< 2.5
Avg. # of day to issue PO >\$75,000	2	2	1	1	3	2	2	2	1				2	2	< 3
<i>Human Resources</i>															
Employee Count (Actual vs. Budget)	(6)	(9)	(12)	(10)	(11)	(13)	(11)	(13)	(13)				(11)	(7)	MONITOR
Average Recruitment Time	56	60	60	60	60	64	64	84	52				62	60	MONITOR
<i>Information Technology</i>															
Cybersecurity Training - Participation	87.00%	88.00%	0.00%	86.00%	88.00%	98.00%	96.00%	83.00%	85.00%				88.88%	88.09%	> 85.0%
Organizational Overall Risk	23.6%	22.8%	22.4%	22.0%	23.3%	22.6%	22.2%	23.0%	22.8%				22.7%	23.4%	< 35.0%
Phishing Security Testing	0.0%	3.2%	3.2%	1.7%	1.6%	1.4%	1.3%	1.3%	1.1%				1.6%	2.0%	< 3.0%
Help Desk Ticket Resolution Rate	97.55%	98.64%	98.36%	97.75%	97.70%	97.84%	97.73%	97.53%	96.73%				97.73%	97.32%	> 90.0%

# June 2022 KPI Update



- **Safety & Risk**
  - OSHA – One OSHA incident for June, Sprain, EE hyperextended knee
    - Three (3) FYTD, and no lost time injuries
  - Last Preventable Motor Vehicle Accidents (PMVA) was in March
  - June mandatory safety training: Forklift, Pre-Job Brief, and MOT intermediate
- **Electric Reliability**
  - Team continues working on Phase II ERIP improvements for additional best practice application of sectionalizing; reclosers, trip savers, and Venetian Bay URD system redesign, transmission loop completion, etc. The UC is working concurrently on both short and long-term solutions.
  - Number of outages continues to be reduced, with larger outages occurring on feeders not yet addressed, and on feeders where work has not been completed and operator-initiated feeder outages
    - FYTD 2022 – 10% reduction compared to FYTD 2020 and 19% less than 2019
  - × SAIFI (Frequency) was green [(0.20) for the month] also driving SAIDI higher for the month
    - Adjusting SAIFI for unusual outages and operating decisions, YTD SAIFI would be 1.44
  - CAIDI restoration time green for the month, YTD and YE forecast
    - Weekly operational calls highlighted opportunity to improve operational procedures to reduce SAIFI and CAIDI using isolate and restore vs full repair and restore, and opening devices other than feeder breaker when taking outages needed for repairs. Each call reviews the prior week's outages to learn what improvements can be done the next time an event occurs.
  - As SAIFI improves, SAIDI will naturally follow [ $SAIDI = SAIFI \times CAIDI$ ]
  - Three-year ERIP implementation timeline FY21 – FY23, and to achieve targets by FY24 to allow for follow on system upgrades and stabilization

## June 2022 KPIs (continued)

- Water Resources – Metrics are Green for month, FYTD and YE
  - Due to the changing gross water loss, the accuracy of the water treatment plant meters will be evaluated further
- Customer Service (CS) - Metrics are Green, except for abandoned call rate and average speed to answer due to short staffing: one CSR and CSR's out on leave
- Materials Management – PO issuance days are green
  - The purchasing team is currently experiencing longer than normal lead times for material: overhead and underground conductors, electric and water meters, ERT modules, meter boxes, water fittings, and transformers. The team is working with Directors and Managers regarding their needs and prioritizing planning.
- Human Resources – Headcount is under budget by (13) positions and actively recruiting for (3) positions – Lineman, System Operator and Facilities Coordinator
- Information Technology – IT metrics are green
  - UC's Cybersecurity Awareness Mandatory Training was 89%

# June 2022 FYE Operational Statistics

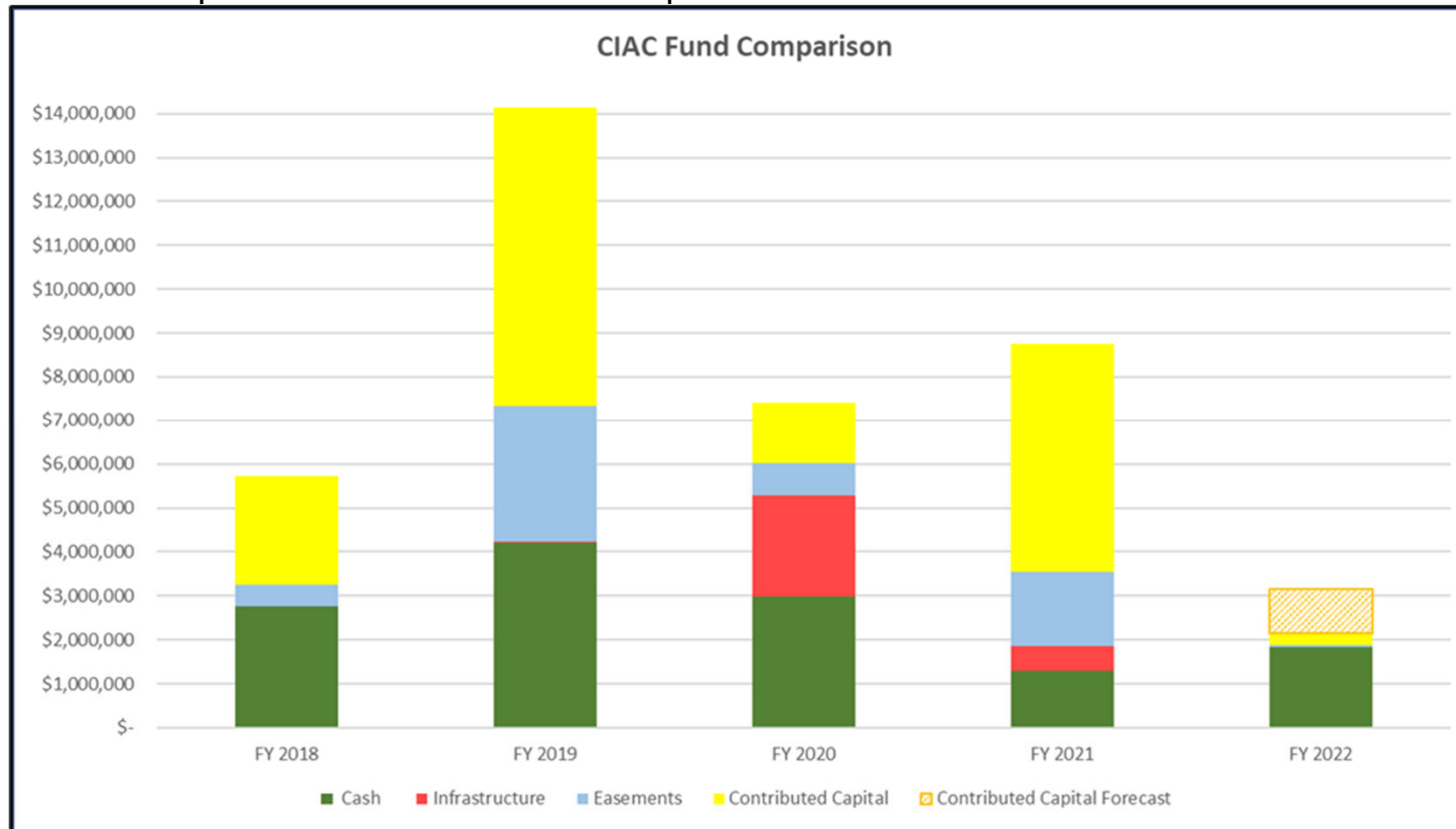
# of Days	31	30	31	31	28	31	30	31	30		
Combined - FY 2022										June '22	Var. to
(\$ in thousands)	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	FYTD	June-21
Electric	\$ 4,451	\$ 3,418	3,065	3,980	3,883	3,407	3,725	5,212	6,308	\$ 37,450	\$ 7,259
Water	839	879	784	753	786	788	814	900	1,001	7,544	1,242
Reclaimed	941	988	920	918	952	956	1,011	1,017	1,061	8,764	672
Operating Revenues	6,231	5,285	4,769	5,651	5,621	5,151	5,550	7,130	8,369	53,757	9,173
Operating Expenses	4,837	5,253	5,577	5,783	5,635	6,171	5,522	6,060	6,858	51,696	(5,930)
Income before contributions	1,353	(42)	(887)	(199)	28	(970)	207	919	1,478	1,887	3,572
Capital Contributions	234	349	269	237	426	178	160	130	178	2,161	(1,096)
Change in Net Assets	1,587	307	(618)	38	454	(792)	366	1,049	1,656	4,047	2,477
Utility plant, net	213,445	215,082	216,148	217,110	218,415	218,799	219,561	220,289	221,154	221,154	14,663
Total assets	306,256	306,969	305,627	306,443	307,330	306,355	305,609	307,465	309,176	309,176	6,704
Long-term debt, net	75,325	66,445	75,188	75,117	75,046	74,975	74,903	74,832	74,760	74,760	2,404
Net assets	215,352	215,815	215,197	215,235	2,289	215,685	216,035	217,068	218,707	218,707	10,225
Purch Power (MWh) INCL St Lucie	\$ 61.19	\$ 66.42	\$ 62.84	\$ 71.27	\$ 63.14	\$ 61.91	\$ 61.50	\$ 66.87	\$ 73.31	\$ 65.74	\$ (13.81)
Cooling Degree Days (DCD) TOTAL	344	83	105	28	67	144	223	373	474	1,838	(48.0)
Cooling Deg. Days (DCD) Avg. FY '22	11.1	2.8	3.4	0.9	2.3	4.6	7.4	12.0	15.8	6.7	(0.2)
Heating Degrees Day (DHD) TOTAL	1	74.5	31	211	96	25	15	N/A	N/A	453.0	(126.5)
Heating Deg. Days (DHD) Avg. FY '22	0.0	2.5	1.0	6.8	3.3	0.8	0.5	N/A	N/A	1.7	(0.5)
TOTAL Electr Sales (kWh)	41,369,111	34,517,784	31,672,814	31,287,939	32,655,965	31,866,964	31,174,440	34,822,486	42,728,045	312,095,548	465,353
Electrical Commercial Sales (kWh)	13,127,636	11,413,785	10,735,371	10,392,950	9,279,127	10,412,065	10,157,974	10,851,626	12,569,057	98,939,591	1,557,457
Water Sales (kilogallons)	144,643	148,209	151,916	144,867	131,976	146,016	142,033	154,864	167,554	1,332,078	54,091
Wastewater Sales (kilogallons)	81,942	86,128	88,908	88,754	82,788	91,739	89,018	91,953	94,942	796,172	25,414
Reclaimed Sales (kilogallons)	68,863	64,036	67,545	61,902	53,250	65,446	58,365	74,362	79,141	592,910	40,320
<b>Capital Spend - FY 2022</b>											
Annual & Major Projects	1,267	2,316	1,644	1,700	1,751	1,129	1,532	1,506	1,659	14,505	(2,496)
Prior Year Projects	137	36	26	29	23	39	4	0	-	295	(239)
TOTAL	1,404	2,353	1,670	1,729	1,774	1,169	1,536	1,506	1,659	14,800	(2,736)
<b>Difference Fav / (Unfav)</b>											
Purchased Power (MWh)	\$ (14.56)	\$ (17.62)	\$ (10.64)	\$ (16.31)	\$ (4.38)	\$ (8.19)	\$ (8.87)	\$ (17.92)	\$ (20.34)	\$ (13.81)	-26.6%
TOTAL Electr Sales (kWh)	(87,108)	(2,921,788)	(3,455,917)	(2,851,445)	2,557,908	2,799,795	516,702	1,389,197	2,518,009	465,353	0.1%
Electrical Commercial Sales (kWh)	207,998	(347,360)	(569,231)	475,427	202,290	710,493	166,782	124,697	586,361	1,557,457	1.6%
Water Sales (kilogallons)	12,035	17,552	6,786	2,065	4,931	10,993	(9,732)	8,368	1,093	54,091	4.2%
Wastewater Sales (kilogallons)	3,632	6,420	(870)	1,118	4,600	5,688	(3,771)	5,976	2,621	25,414	3.3%
Reclaimed Sales (kilogallons)	20,975	9,905	10,771	1,230	1,930	2,985	(11,971)	1,803	2,692	40,320	7.3%

## CIAC Fund – Developer Payments & Contributions



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- Combination of: Payments, Infrastructure and Easements
- Contributed Capital is the End of Site Development Process

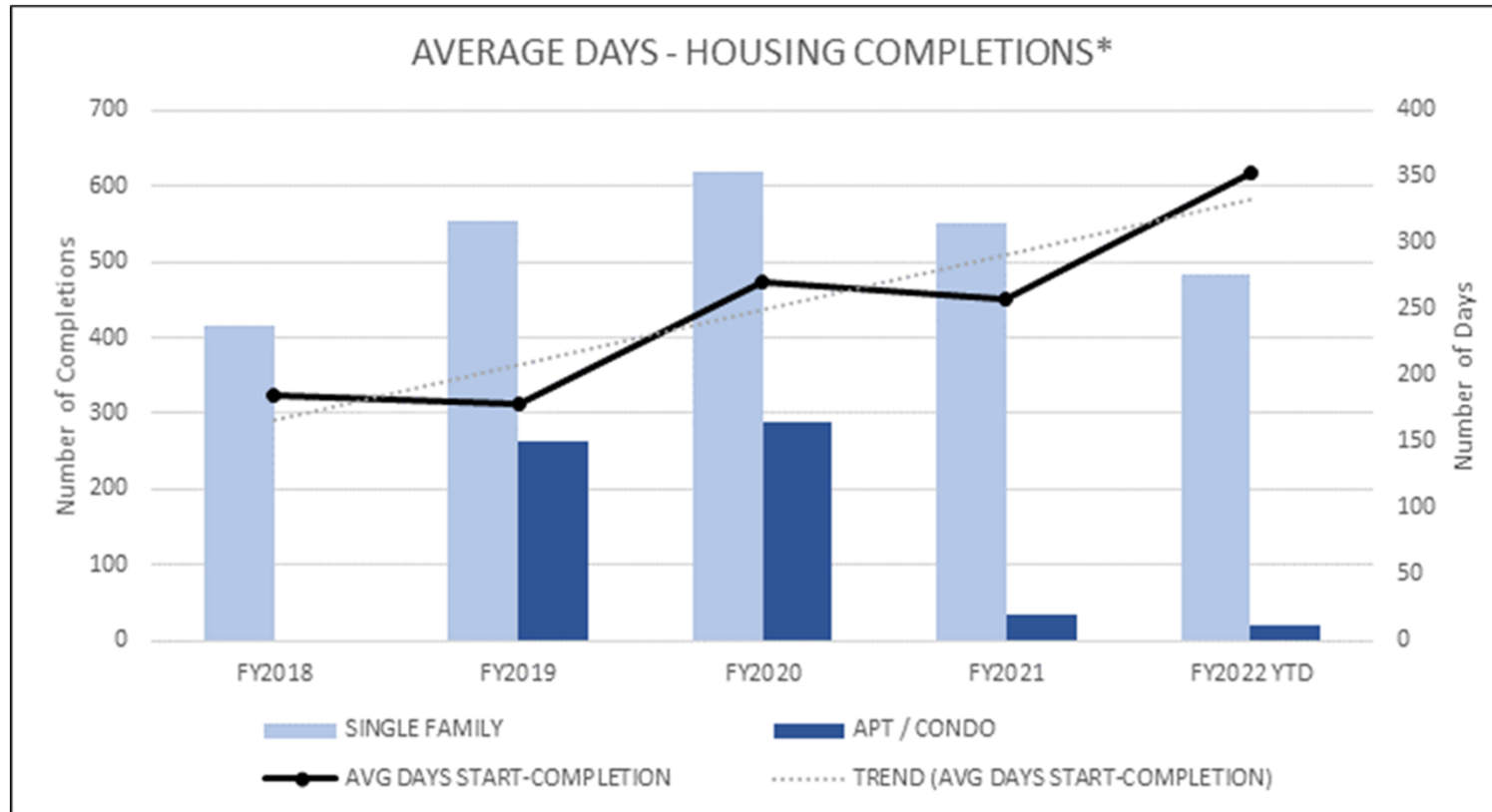


## “UC Starts” Close in Timing to Building Permit Iss.



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- Starts and CIAC Peaked in 2018 – 1<sup>st</sup> 8 Months of FY22 appears to be trending inline with FY21
- With Mortgage apps recently down and rates up, permits and sales may slow

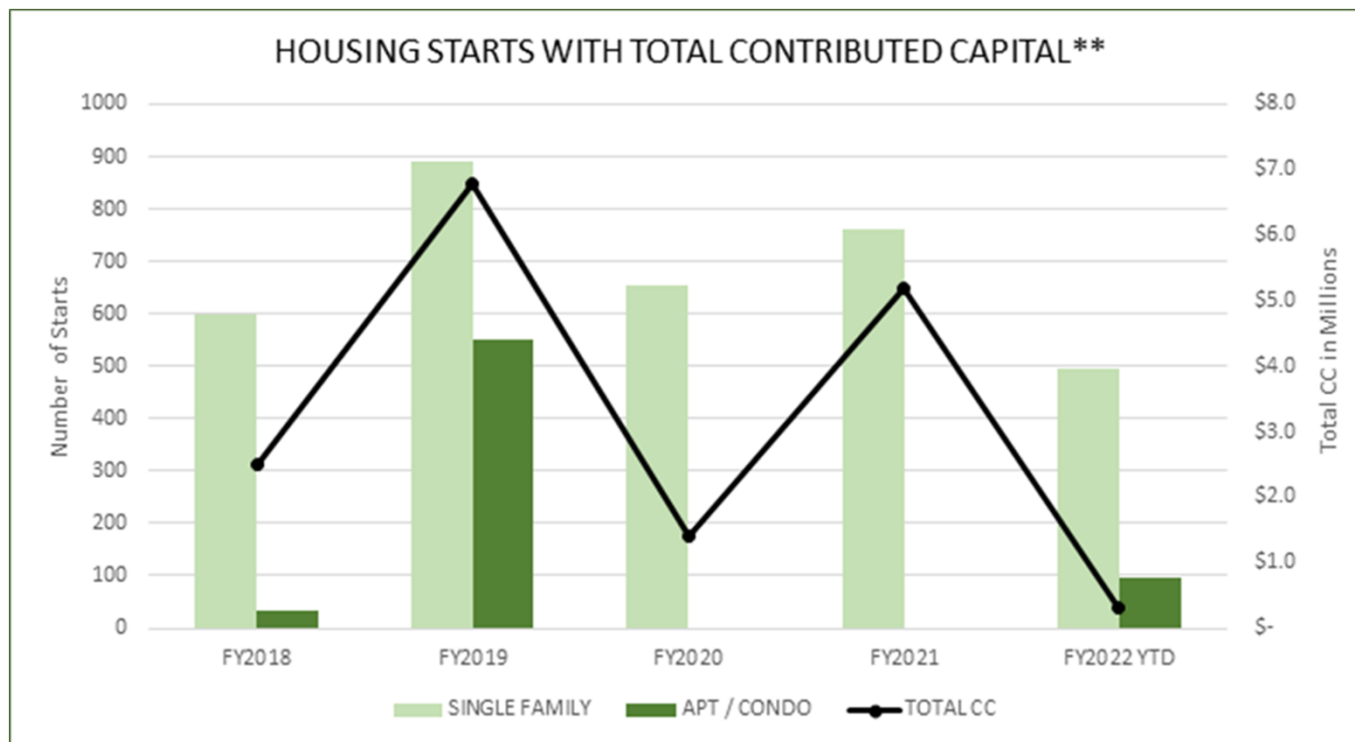


\* Number of services that went permanent each fiscal year and the number of days between application for service (payment) and completion (certificate of occupancy / permanent service)

## UC Meter “Housing Completions”- Close in Timing to Certificate of Housing



- Completions peaked in FY '20 and appear to be a little ahead of FY '21
- Building Timeline – Average Start to Completion has doubled since FY '18 From 165 days to over a year



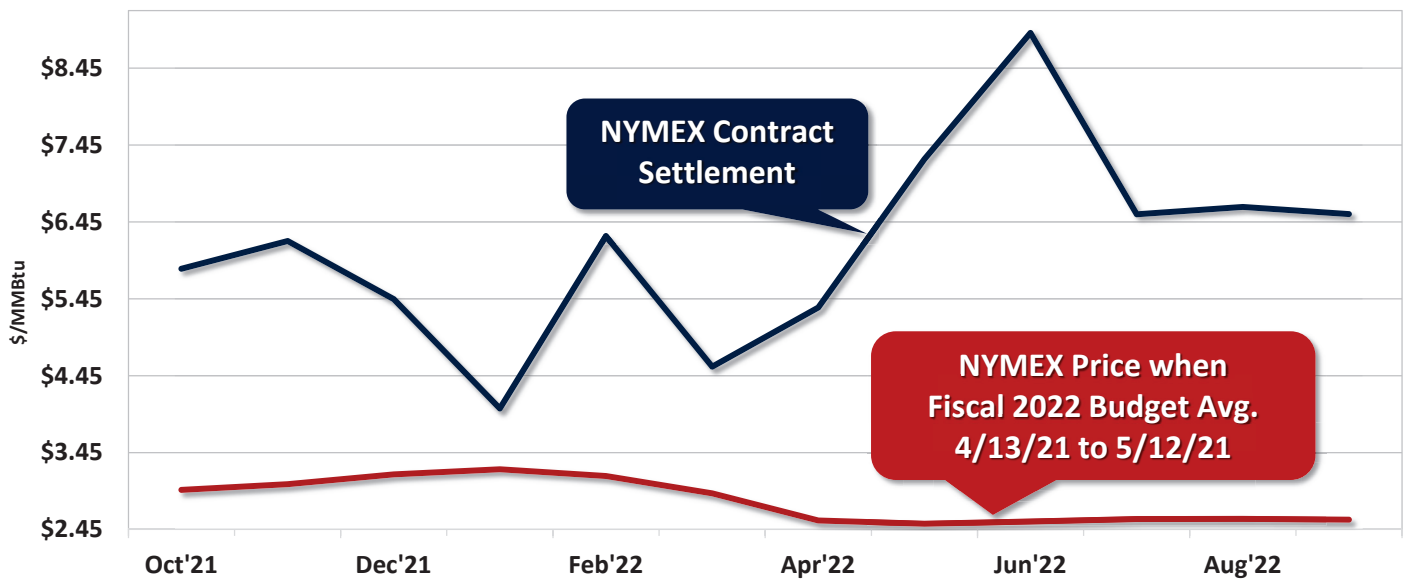
\*\* Number of services requested and paid for per fiscal year as compared to contributed capital received within the fiscal year

## Fiscal 2022 Management Goals – June 2022 Data

Goal		Status	Actual	YTD Actual	YTD Target	FY 2022 Target	Comment
1. Safety	Lost-time Accidents		0	0	0	0	
	OSHA Recordables		0	0	0	0	
2. Compliance	Environmental		0	0	0	0	Compliance doing internal NERC standard-by-standard top-down review with compliance and SMEs. Completed 70% of NERC applicable standards internally.
	Financial		0	0	0	0	
	Regulatory		0	0	0	0	
3. Low Cost (\$/MWh)	Under \$70/MWh		\$97.44	\$93.64	\$75.26	< \$70.00	YTD May 2022 MWh sales ~.3% >budget. All-in costs \$18.38/MWh (19.6%) > YTD target, due to fuel expense 79% > target; partially offset by A&G (13%), O&M (9%) and Project Costs (9%) < budget
	Fuel		\$56.19	\$41.70	\$22.59	\$22.00	
	Non-Fuel		\$41.25	\$51.94	\$52.67	\$48.00	
4. Capacity Replacement Plan Complete evaluation of alternatives meeting ARP needs to 2027 & provide Non-ARP members participation options						1	Finalizing PPA for 155 MW. Finalizing purchase agreement for two facilities of ~220 MW. Non-ARP members considering purchase.

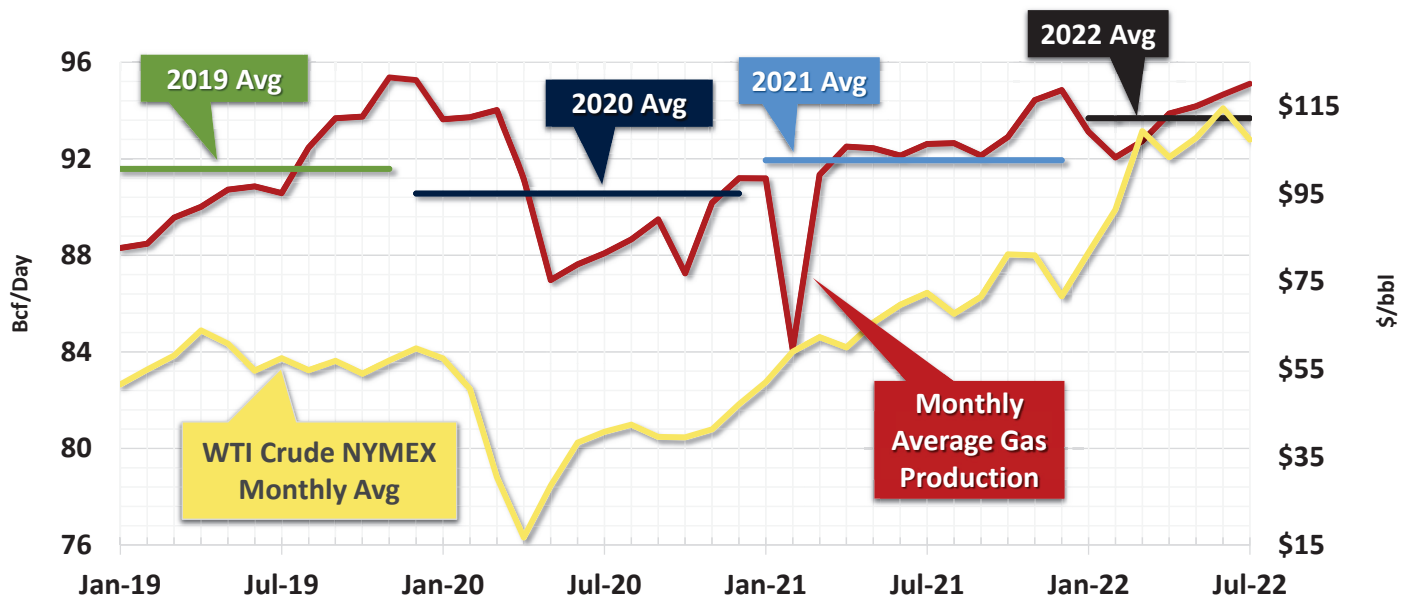
## NYMEX Contract \$3.31/MMBtu Above Budget

*Fiscal 2022 Natural Gas Settlement as of July 11*



# Natural Gas Production Tracking Changes in Oil Prices

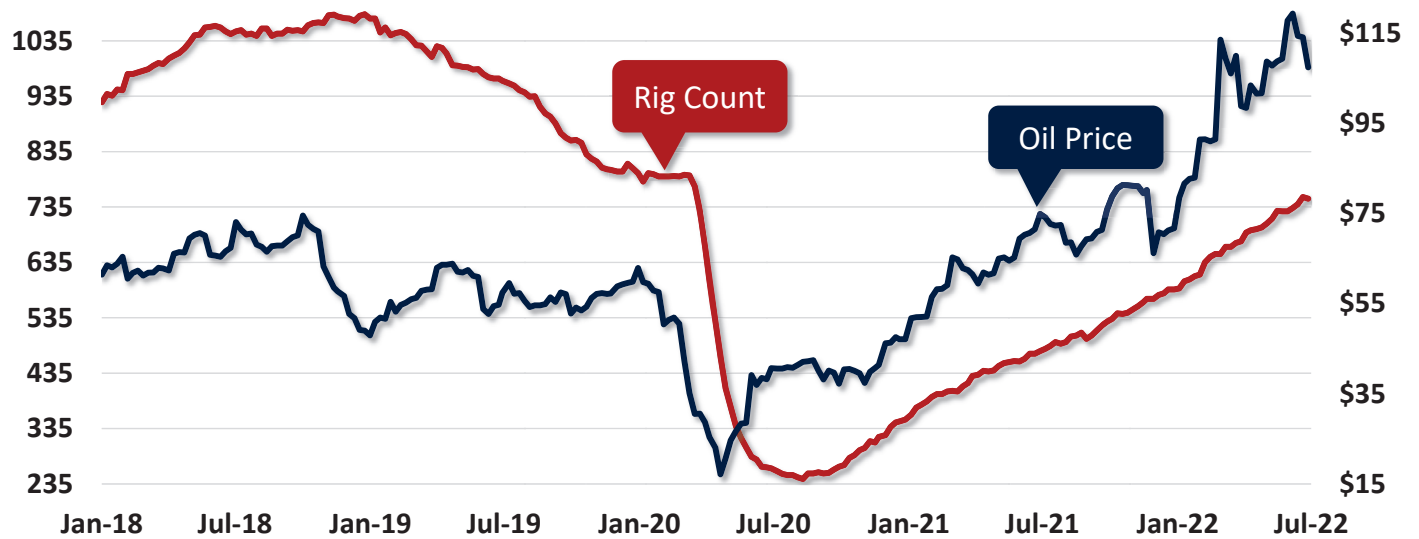
*Average Monthly Change from 2019 through July 11, 2022*



## Rig Count Increases Slightly, Oil Prices Remain High

*WTI Prices Above \$100 Since March 2022 (as of July 8)*

U.S. Drilling Rig Count vs WTI Prompt



## Gas Storage Inventory as of Week Ending July 8

*2022 Season Forecast to Remain in Lower Level of 5-Year Avg.*

