

Utilities Commission Meeting 22 September 2022

Participants Chair Buddy Davenport, Vice Chair Rich Hawes (by phone), Secretary/Treasurer Lillian Conrad, Assistant Secretary-Treasurer James Smith, Counsel Thomas Cloud and GM/CEO Joe Bunch, Exec MGR/Clerk D. Simmons

Safety Message Preventing Waterborne Disease Exposure: the UC tests 309 miles of water mains twice daily to ensure water is germ free. If you use reclaimed water for gardening, water the roots and not the fruit.

Reorganization: Unanimously Approved

- **Election of Officers** will continue with same officer slate as last year.
- **NSBUC Regular Meeting Schedule for Calendar Year 2023** see website

Consent Items: Unanimously Approved

- **Developer's Agreement** Gulfstream Villas SP-15-20
- **Developer's Agreement** All Aboard Storage, NSB Depot, 110 Ponce St. (1350 N. Dixie NSB, LLC)
- **Developer's Agreement** Florida Days Phase 5 (Old Smyrna Land Company, LLC)
- **Project Approval** Potable Water Well Rehabilitation Plan Commissioner Smith added the word "cost" so it reads "the lowest cost expert" and "not the lowest expert."
- **Risk Management Insurance Coverages** for FY2023
- **FY2023 Assignment of Work** Pike Electric, LLC, Asplundh Tree Expert, Co. and Osmose Utilities Services, Inc.

General Manager's Report

Financial Status

- August 2022 Year-over-Year electric consumption up 2.6% driven a hotter May-August and 8.5% higher usage. Natural gas cost 116% higher than last August; over two years there is a 283% increase, so will likely remain high for a while.
- August 2022 net assets change was \$0.4M less than August 2021. The August FYTD reflects increased revenues, customer growth, Hurricane Dorian FEMA reimbursement of \$0.2M, lower capital contributions, increased operating expenses and mark-to-market adjustment of \$1.2M.
- May 2020 Final Bond Pricing vs. Current Bond Market Rate Conditions (August 2022) will save UC \$21.3M in interest over the 30-year period by locking in the refunding of \$15.3M of existing debt and new capital of \$65M in May 2020
- Housing completions for 2022 anticipated to be only slightly below the recent 2019 high for a second year with average start to completion time doubling since FY 2018 from 165 days to over a year.
- UC is in discussions with a national developer for future development of area west of I-95 and south of SR 44.
- **Western Utilities Complex (WUC) Property:** Due to a delay in obtaining surveyors, a presentation of the costs/location of potential new headquarters 2022 is now p-lanned for January 2023.

New Business Unanimously Approved

- **Contract Extension** Fifth Amendment to Native load Firm Power and Energy Transaction Confirmation Between NSBU and FPL. UC will use the Base Load for FPL's average cost that includes solar, gas and nuclear power cost factors.
- **Approval of Fuel and Purchased Power Cost Adjustment** Increase considered a modest increase as compared to peer utilities. The UC has absorbed \$800,000 in the last 12 months from reserves but cannot continue this. Natural gas costs the driver of the increase.

Other Business - Time for Commissioners

- Commissioner Smith suggested that we consider water efficiency appliances receiving a credit like electrical appliances.
- Bunch noted that 6 months ago, Germany's average monthly utility bills were 4 times Florida's.