

**New Smyrna Beach Utilities Commission Regular Meeting  
July 28, 2025**

**Participants:** Chairman Davenport, L. Conrad, R. Hawes, J. Smith, Absent. L. Kelly  
General Manager/CEO – E. Chavez, Counsel -H. Ramos, Executive Manager/Clerk- D. Simmons

**Approval of Consent Items** - 9 items were presented, and all were approved.

- a. Minutes of the Workshop Held 6-9-25 and Final Public Hearing and Regular NSBU Commission Meeting Held 6-23
- b. Award Approval – Invitation to Bid No. 12-25 Award and Project Contract for Restroom Renovation at Electric Ops. Building) Albert Flores Inc. dba Ovation Construction)
- c. Approval – Year 2 of 3 Annual Renewal Microsoft Enterprise Licenses
- d. Award –FY2026 Pole and Padmount Transformer Order – ITB No. 10-23 (Gresco and Stuart Irby)
- e. Approval -High Value Surplus Disposals – Total of Four (4) Vehicles – Advance Notification of Sales – M. Lynch and J. Adamson Approval -High Value Surplus Disposals – Total of Four (4) Vehicles – Advance Notification of Sales
- f. Approval – Assignment Contract / Annual Supply of Aluminum Sulfate from Thatcher Chemicals of Florida, Inc. to Chemtrade Chemicals US LLC.
- g. Approval – High Value Surplus Disposal – Filed St. Turbines (Two) – (Decommissioning Power Generation Peaking Units) – Advance Notification of Sale –
- h. Ratification – Emergency Inventory Voltage Regulators Purchase – ITB No. 14-25 – Schoolway Substation (TSEA USA LLC)
- i. Ratification – Granted and Accepted Third Part Utility Easements by Sandlewood Townhome Association, Inc. for Sandlewood Development (Old Mission Rd.)

**General Manager's Report - Financial Status - JUNE FYTD Results**

June 2025 YTD financials reflect a change in net assets of \$1.9M, %0.7M lower vs. LY. This change in net assets is driven by the following factors:

Lower revenues due to no FEMA reimbursement in the current fiscal year (approx. \$2.2M in prior year) increased operating expenses and purchased power costs, lower capital contributions and lower fuel and purchased power revenue adjustments due to the decrease from \$7.00 to \$6.00 per 1000kWh, (effective first billing cycle January 2025.) Partially offset by increased electric revenue and lower over-recovery adj., which reduces revenue and increases PP reserves. Electric year-over year consumption is approx. 1% higher vs. the prior year

June water consumption is as follows:

Water usage reflects an overall approx. 3% decrease vs. prior year. Wastewater is approx. 2% lower than the prior year and Reclaimed is approx. 5% lower vs. prior year.

June FYTD Purchase Power is \$54.40 per MWh. approx. 5% lower than the \$57.52 per MWh Budget.

**Cumulative Over/Under Recovery vs. Fuel & Purchased Power Cost Adjustment Factor**

- The trend represents the current **recovery** position of approx. \$8.8M which is approx. \$3.8M greater than target. The fuel and Purchased Power adjustment was successfully lowered to \$6.00 per 10000kWh in Jan. 2025.
- The Reserve amount is currently exceeding 20% of the Annual Purchase Power Budget, which can fluctuate abruptly with changes in Nat. Gas prices – monitoring of balance vs. target \$5M. NSBU currently exceeds the \$5.0 over-recovery Target
- As part of the current rate study, NSBU is evaluating the targeted reserve.

### **June 2025 Operating Income/ (Loss)**

- June '25 FYTD operating loss of \$03M is \$2.7M greater than June '24. June FYTD operating loss is driven by lower fuel and purchased power rev. adj. (\$7.00 to \$6.00), increased operating expenses and purchased power costs, partially offset by **lower** over-recovery adj. which reduces revenue and increases PP reserve and increased revenue in all service areas.
- June '25 OVER-RECOVERY balance approx. \$8.8M which is ABOVE the target of \$5.0M no change from May '25.
- FPPCAC = Fuel and Purchased Power Cost Adjustment Clause. The targeted reserve is 20% of annual purchased power costs (est. \$5M+.)

**June 2025 Change in Net Assets:** Note: FY'25 Income before contributions is \$0.4M (June 25) vs. \$0.1M (June '24) for a \$0.5M increase from the prior year

- June '25 FYTD Change in Net Assets was \$1.9M, which was \$0.7M lower than June '24. June '25 FYTD is driven by lower fuel and purchased power rev. adj. (\$7.00 to \$6.00), no FEMA reimbursement, increased operating expenses and purchased power costs, and lower market to market adj. and lower capital contributions partially offset by increased revenue in all service areas, and **lower** over-recovery adj. which reduces revenue and increases PP reserve.
- June '25 Capital Contributions were \$1.5M, which is \$0.5M lower than the prior year. The June FYTD capital contributions comprised primarily of cash.

### **June 2025 FYTD Results – Capital**

#### **June 2025 FYTD capital expenditures \$17.0M**

\$8.0M – Major Project spend includes: GWTP Chemical Improvements, Smyrna Substation Circuit 32, ERIP Phase III, I95 Pioneer Trail Interchanges, LS #2, #3, #7 and #10 Improvements, Work & Asset Management System (WAMS) implementation, GWTP Pellet Softening, Potable Water Well Rehab project, Subaqueous improvements/upgrades. N. Atlantic Ave. – Electric Relocation (in conjunction with the City Stormwater Project). Smyrna Sub Electromechanical Relays and Field Street Transmission Line Rebuild, WRF Screw Press, WRF Treatment Equipment Upgrades.

\$9.0M – Annual project spend includes: gravity sewer lining, transformers, and new business electric & water installations, vehicles, transformers. (routine projects).

### **Third Quarter (Q1, Q2, & Q3) of FY2025 Balanced Scorecard and Enterprise Metrics**

#### **FY25 Q1, Q2, and Q3 (October – June)**

#### **Scorecard - Safety and Risk:**

##### **OSHA Recordable Injury for Q1/Q2/Q3**

- One minor incident resulted in a laceration. 0 preventable vehicular accidents resulting in over 9 months without an incident.
- Additional progress has been made on Electric Logout Tag Out (LOTO) and Arc Flash study/policy. LOTO procedures, final review and implementation planning and Arc Flash study/policy is under final review and implementation of electromechanical relays next year
- Two NSBU employees have completed entry -level Driver Training (ELDT) Trainer Certification Program to conduct both classroom and over-the road training for NSBU employees who need their CDL licenses. Various monthly safety trainings have been completed.

**Electric Reliability:**

FY25 proceeding well. During March, NSDBU system was in an alternate configuration to allow for transmission infrastructure upgrades- replacement of 40 transmission poles and new conductor (wire). Substantial progress has been made on the upgrade project to be completed in Fall 2025. This project is critical to NSBU's continued transmission system reliability and resiliency. Metrics that measure the frequency, duration of outages (the two most important measures of overall customer experience) as well as restoration time are being reviewed for overall opportunities to enhance the NSBU's performance. Monthly numbers for outages and duration are in the green while the FYE stats are in the red. Restoration times for the month and FYTD are both in the red. Aggressive goals have been attributed to some of the numbers below the goals.

The ongoing FY 2025 Improvement Plans include the following:

- Implementation of Overhead Hardening Improvement project targeting specific NSBU service territory regions to improve reliability and resiliency. The first project is Inlet Shores completed, other projects under development.
- Installing additional manual feeder tie switches where reclosures are not feasible. Proactive controls.
- Feeder Line 32 construction underway in the western portion of service territory. New underground feeder from Smyrna Substation will further reduce number of customers per feeder, improving western service territory.
- Upgrade Protective & Control (P%C) Relaying and related equipment at the airport, Smyrna and Field St. substations to improve protective devices, thereby reducing large feeder and transformer outages.
  - Replace legacy electro-mechanical relays with much more digital services.
  - Implement new settings from Protection & Control (P&C) study.

**Cost Management & Water Reliability:**

Annual costs for Electric, Water Wastewater O&M were significantly less than the targets. Water reliability metrics, including major main breaks and repair time, major wastewater main breaks and repair time were significantly less than targets. Excellent performance on these metrics was noted.

**Customer Service.**

Call Center Service levels exceed the targets. Abandoned call rates and the average speed to answer calls both beat their targets again. Billing & Collections were better than or equal to their target. Overall Customer Service metrics continue to be exceptional.

**Materials Mgt., HR and Info Technology:**

- The average days to issue PO's was equal to or less than the max of 2.0-2.5 days.
- The average employee counts and average recruitment days are monitored and were both slightly higher than forecast.
- Cyber Security training participation reached 97.6%MTD and 96.6% FYTD vs the target of 85%. Substantial Cyber security training improved over the prior year with support from Shared Services and additional focus by the management team with staff.

In summary, excellent operational and financial performance due to continued focus on NSBU's long-term goals. Focus on Safety has resulted in a solid performance. Electric Reliability is doing well with remaining work to be done. Water reliability, O&M expenditure, Customer Service, and Cyber Security Training have all met or exceeded targets.

## **Informational Status Presentation – Roll Out o NSBU’s Advanced Metering Infrastructure) AMI) Program –**

A recap of what the AMI system accomplishes and how it will enhance the NSBU’s workflow was discussed. New meters that will be installed at no expense or customer interruption/interference will ensure accurate readings, quick responses to power outages and hour-by-hour usage information for the customer to help lower and manage their electric usage.

A “soft” installation was completed the week of 7/22/2025 with 300 meters. “A gradual increase of installation staff will target high density residential areas to maximize deployment resources. A phased approach will all the Utility to validate functionality and existing field conditions working through business processes on a controlled fashion to ensure a smooth, scalable rollout in the coming months. “

Plans to have over 5,000 electric meters are to be installed representing less than 15% of customers.

With the elimination of electric meter reader personnel, some will be transferred to the water department or absorbed into other areas with the company as needed.

Ramp-up and installation will continue during Q4/2025.

A snapshot of the customer portal, which will be integrated into the current portal, will create an enhanced customer experience, giving greater understanding of usage and cost through real time monitoring. It can have usage alerts set to reduce billing surprises, establishing daily, weekly, and monthly trends

### **Old Business:**

Approval – 2025 Utility Rate Study –

As a result of the 2025 Rate Study, proposed rate modifications for FY26-28 provide for the last 5 yr Capital Improvement Plan (CIP), Interagency Projects. Additional debt related to the proposed 2025 Revenue Bonds, increase costs for utility operations and purchase power, to sustain sufficient working capital reserves while maintaining reasonable and gradual customer rate increases.

Motions were made and this was approved to go forward with two Public Hearings.

### **Possible Other Business -Time for Commissioners:**

- Governance Committee Chair R. Hawes suggested establishment of a “handbook for Utility Commissioners” as a type of operational manual especially if new commissioners are appointed. Further discussion will be ongoing at the next workshop on August 11, 2025.
- A second topic for the august 11, 2025 Workshop will center of the Western Utility complex Strategic Planning. Julia Couillard will have preliminary costs for the WUC. The three options up for discussion regarding this areas are selling of the land, partnering with a developer to build out the area for the Utility or give the land to the city for development.

**Meeting Adjourned**