



W. BIEDENBACH, CHAIRMAN
J. HOLCOMB, VICE CHAIRMAN
B. BRITZ-PARKER, SECY.-TREAS
L. GRIFFITH, ASST. SECY.-TREAS.
J. DAVENPORT, COMMISSIONER
(Officers Appt. 9-19-16)
W. PRESTON, LEGAL COUNSEL
W. MITCHUM, GM/CEO

AGENDA**
REGULAR MEETING
OF THE UTILITIES COMMISSION
CITY OF NEW SMYRNA BEACH, FLORIDA
TO BE HELD MONDAY, MARCH 20, 2017, AT 6:00 P.M.
200 CANAL STREET, DEBERRY ROOM, 3RD FLOOR
NEW SMYRNA BEACH, FLORIDA

RESULTS OF UC MEETING

ROLL CALL

1. Agenda Changes, Additions and Deletions

2. Public Participation

***3. Approval of Consent Items (APPROVED)**

- a. ✓ Minutes of Regular U.C. Meeting Held 2-27-17 (*U.C. and State Requirements*)
- b. ✓ Renewal of ESRI Small Utility Enterprise License Agreement (SU-ELA)
– B. Keehn (*U.C. and State Requirements*)
- c. ✓ Inspection and Treatment of Electric Utility Distribution/Transmission Wood Poles
(Recommend Award thru GRU Bid #2016-038 to Osmose Utilities Services, Inc.) –
M. Rodriquez (*U.C. and State Requirements*)
- d. ✓ Developer's Agreement and Addendum – Portofino Estates Reclaimed Water (Venetian
Bay Phase 2, Unit 1 – GEOSAM) – D. Wainscott (*U.C. and State Requirements*)
- e. ✓ Central Office Building (COB) Envelope and Building Repairs Project – Change Order
No. 1 (submitted by Innovative Masonry Restoration) – D. Wainscott
(*U.C. and State Requirements*)
- f. ✓ Smith Street Generation Facility/Power Plant Decommissioning Project – RFP #11-16) –
(Recommend Award to Stack Brothers, Inc.) – D. Wainscott (*U.C. and State Requirements*)
- g. ✓ Smith Street Power Plant Decommissioning Project, Phases 3, 4 and 5 – Change Order
No. 2 (submitted by Downes Associates, Inc.) – D. Wainscott (*U.C. and State Requirements*)
- h. ✓ Glencoe Water Treatment Plant (GWTP) North Clarifier Replacement – Change Order
No. 1 (submitted by L7 Construction, Inc.) – D. Wainscott (*U.C. and State Requirements*)
- i. ✓ Release of Easement – Springhill Suites (Poseidon Hotel Ventures, LLC) – D. Wainscott
(*U.C. and State Requirements*)
- j. ✓ Acceptance of Revised Human Resources Manual (HRM) – B. Pitcher
(*U.C., State, and Federal Requirements*)
- k. ✓ Lift Station No. 4 Reconstruction – Change Order No. 1 (submitted by J&H Waterstop
Utilities, Inc.) – D. Wainscott (*U.C. and State Requirements*)
- l. ✓ Portable Generator Purchase – 150 KW Trailer Mounted – FSA 16-VEH14.0, Spec. #71
(Recommend Award to Mid Florida Diesel) – D. Hoover (*U.C. and State Requirements*)



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RESULTS OF UC MEETING (cont.)

4. General Manager's Report – R. Mitchum

a. Financial Status – February 2017 – B. Bilinski

(FOR THE MONTH ENDED FEBRUARY 28, 2017, THE U.C.'S CHANGE IN NET ASSETS FOR THE COMBINED SYSTEM IS A POSITIVE \$70,078. THE BALANCE IN THE FUEL AND PURCHASED POWER ACCOUNT IS AN OVER RECOVERY OF \$1,877,000, WHICH IS A REDUCTION OF \$254,000 FOR THE MONTH)

b. Presentation – Electric Utility Master Plan, 2016 – Fred Wilson & Associates, Inc. –
D. Wainscott

(FW&A'S PROJECT MGR. ED WISSER, P.E., PRESENTED THE 2016 UPDATE TO THE UC'S ELECTRIC UTILITY MASTER PLAN - 2006. COMPLIMENTED THIS UC EFFORT, SMALLER UTILITIES DO NOT ROUTINELY PERFORM PERIODIC REVIEWS FOR PERFORMANCE, ALTHOUGH VERY MUCH NEEDED AND IS A PRUDENT UTILITY PRACTICE. INDICATED THIS MASTER PLAN WAS AN UPDATED ANALYSIS FOR THE NEXT 10-YR. PLANNING PERIOD. TASK SCOPE INCLUDED REVIEW OF CATEGORY A OR NORMAL LOADING CONDITIONS WHICH INCLUDES SUMMER AND WINTER PEAKS, OVERLOADING OR LOW VOLTAGE CONDITIONS; REVIEW OF CATEGORY B OR SINGLE CONTINGENCY CONDITIONS, I.E. LOSS OF A SINGLE SUBSTATION TRANSFORMER, THE STEPS NEEDED TO RESTORE SYSTEM TO NORMAL OPERATING CONDITIONS AS QUICKLY AS POSSIBLE AND OVERLOADING/LOW VOLTAGE OF SYSTEM UNDER THOSE CONDITIONS. DID NOT REVIEW CATEGORY C- DOUBLE CONTINGENCY CONDITIONS, EXPLAINED SYSTEM DESIGN FOR DOUBLE CONTINGENCIES IS COST PROHIBITIVE TO MAINTAIN. PRESENTED INFO. REGARDING EXISTING SYSTEM, HISTORICAL LOADS, LOAD PROJECTIONS, AND SPECIFICS RELATED TO CATEGORY A AND B. THEN PRESENTED RECOMMENDATIONS AND PROGRAM OF IMPROVEMENTS – IDENTIFIED BY TIMING AND BY TYPE AND PRIORITY) (DISCUSSION ENSUED REGARDING ASSOCIATED FINANCING AND SOME OF THE RECOMMENDED PROJECTS AND TIMELINES)

c. Presentation – “Created to Provide, Inspired to Serve”– B. Pitcher

(H.R. MGR. SHOWCASED THE UC EMPLOYEES' CULTURE OF SERVICE BY PRESENTING INFORMATION ON “WHAT WE DO AND WHO WE ARE”. REINFORCING THE IDENTITY OF THE UTILITIES COMMISSION, A PROVIDER OF PUBLIC UTILITY SERVICES THROUGH EMPLOYEES WHO EMBODY THE U.C.'S MISSION AND VISION AND CARRY IT FORWARD TO THE RATEPAYERS. INCLUDED NUMEROUS EXAMPLES OF PROFESSIONAL SERVICE AND SACRIFICES OF NUMEROUS U.C. EMPLOYEES, AND WITH RECOGNITION THROUGH COMMUNICATIONS FROM THE RATEPAYERS. ALSO DISCUSSED THE SUPPORT AND OUTREACH INTO THE COMMUNITY, SUPPORTING ASSOCIATED EDUCATIONAL REQUIREMENTS AS WELL AS PROMOTING CONSERVATION OF THE UC'S LIFE ESSENTIAL SERVICES. ALSO REPRESENTED THE EMPLOYEES ONGOING PERSONAL CONTRIBUTIONS AND COMPASSIONATE DONATIONS. PRESENTATION CONCLUDED BY THANKING UC EMPLOYEES FOR SERVING) (AFTER APPLAUSE BY THOSE IN ATTENDANCE, GM/CEO AND COMMS. GRIFFITH COMMENDED THE PRESENTATION AND THE UC EMPLOYEES. COMMS. GRIFFITH ALSO ASKED HOW THIS COULD BE COMMUNICATED; CONFIRMED PRESENTATION WILL BE PLACED ON UC WEBSITE. AT THE END OF THE MTG., COMMS. DAVENPORT REQUESTED H.R. MGR. TO PRESENT THIS TO KIWANIS)

5. Commission Counsel's Report

6. Old Business



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RESULTS OF UC MEETING (cont.)

7. New Business

- a. ✓ Fiscal Year 2016 Audit – BMC CPA’s/Brent Millikan & Co., P.A. – B. Bilinski
(U.C., State, and Federal Requirements)

(ALEX KISH, BMC CPAs, MADE A BRIEF POWERPOINT PRESENTATION OF THE RESULTS OF THE AUDIT FOR THE LAST FISCAL YEAR – 2016, INCLUDED DISCUSSION RE: THE VARIOUS COMPONENTS AND SECTIONS OF THE AUDIT. {NOTED ACCOMPLISHMENT - THE UC RECEIVED THE GFOA CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING FOR 38 CONSECUTIVE YEARS.}

(FY2016 NET POSITION COMPONENTS – APPROX. \$227 MILLION IN ASSETS, INCREASE OF \$5 MILLION IN COMPARISON TO FY2015 APPROX. \$222 MILLION. FLUCTUATING CHANGES, UP AND DOWN DUE TO SPENDING FOR DESIGNATED FUNDS BUT GREATEST CHANGE WAS IN INVESTMENT AND UTILITY PLANT, AN INCREASE OF \$6.2 MILLION. TOTAL LIABILITIES WERE \$52.5 MILLION COMPARES TO APPROX. \$61 MILLION IN FY2015 - \$8.5 MILLION DECREASE IN DEBT. QUITE AN ACCOMPLISHMENT, WITH \$5.1 MILLION FROM SCHEDULED LONG TERM DEBT PRINCIPAL PAYMENTS AND ABOUT \$3 MILLION REDUCTION IN NON-CURRENT LIABILITIES. NET PENSION LIABILITY INCREASED FROM \$1.5 MILLION TO \$2.3 MILLION - FRs. TOTAL NET POSITION INCREASED BY \$13.2 MILLION - \$173 MILLION, COMPARED TO FY2015 \$160 MILLION, MAINLY CONTRIBUTED CAPITAL INCREASES FROM DEVELOPERS AND CUSTOMERS – ABOUT \$7.4 MILLION AND \$3.5 MILLION RESPECTIVELY IN TWO YEAR PERIOD OF TIME. UTILITY SYSTEM ACTIVITIES, A POSITIVE CHANGE IN NET POSITION OF ALL THREE UTILITY SYSTEMS. UC HAD OVER \$61 MILLION IN TOTAL REVENUES 5% INCREASE NET ENERGY LOAD REQUIREMENTS AND ENERGY SOLD, 6.5% INCREASE IN WATER SALES, 3.9% INCREASE IN WASTEWATER SALES, AND RECLAIMED WATER ALMOST 19% {DEMAND DUE TO WEATHER AND COMPLETION OF METERING}. UTILITY DEMAND HAS REMAINED STABLE, CONSISTENT ENOUGH TO CONTINUE TO PROVIDE GOOD OPERATING MARGINS - \$61 MILLION IN OPERATING REVENUES, OPERATING EXPENSES ABOUT \$55 MILLION, APPROX. \$6 MILLION IN OPERATING INCOME; COMPARED TO \$6.5 MILLION IN OPERATING INCOME IN FY2015. ALSO DEPICTED NUMBER OF CUSTOMERS PER SYSTEM: 26,740 - ELECTRIC, 25,257 - WATER, AND 21,849 - WASTEWATER AND RECLAIMED WATER. STRONG CASH FLOWS AND IMPROVED LIQUIDITY CONTINUE WITH SUFFICIENCY THE LAST TWO YEARS TO FINANCE OPERATIONAL CAPITAL ACTIVITIES WITH MONIES EARNED FROM OPERATIONS. BRIEFLY DISCUSSED SYSTEM REVENUE SOURCES BY SOURCE AND OPERATING EXPENSES BY FUNCTION)

(DECLARED CONFIDENTIAL COMMUNICATION PROVIDED IN ADVANCE TO UC COMMISSIONERS RE: I.T. DEPT. AND OFFERED TO DISCUSS) (COMMS. GRIFFITH THANKED MR. KISH FOR HIS REPORT, THANKED EMPLOYEES FOR THEIR GREAT JOB LAST YEAR, AND REQUESTED STATUS OF INTEGRATION OF AUDITOR RECOMMENDATIONS AS RESPONSIBILITY AND ACCOUNTABILITY AT UC) (MR. KISH PROVIDED STATEMENTS RE: DISASTER RECOVERY PLAN AND I.T. DEPT. STATUS AS OF SEPTEMBER 30, 2016) (COMMS. HOLCOMB DISCLOSED MEETING WITH THE AUDITOR AND THEN INTRODUCED COMPONENTS OF HIS 12-2016 EMAIL THAT DEPICTED HIS CONCERNS WITH THE I.T. DEPT. AT THAT POINT IN TIME AND STATED HIS CONTINUING THOUGHTS RE: STAFFING AND ASSOCIATED FUNDING FOR THE I.T. DEPT.) (INTERIM I.T. MGR. PROVIDED UPDATED STATUS INFORMATION REGARDING THE I.T. DEPT., INCLUDING THE HIRING OF ADDITIONAL INTERNAL UC EMPLOYEES. ALSO STRESSED DETAILED CURRENT I.T. DEPT. STATUS INFO. IS INCLUDED IN THE MONTHLY GM REPORTS)

(COMMS. BRITZ-PARKER ALSO DISCLOSED MEETING WITH THE AUDITOR, REQUESTED CONFIRMATION FROM THE AUDITOR THAT THE UTILITIES COMMISSION DECIDES HOW UNRESTRICTED FUND BALANCES WILL BE SPENT, AND REQUESTED ADDITIONAL INFORMATION TO BE INCLUDED IN THE CIP PRESENTATION BY THE FINANCE DEPARTMENT REGARDING CAPITAL FUNDS, UNRESTRICTED AND RESTRICTED, ON AN ANNUAL BASIS DEPICTING EXISTING CIP FUNDS, ANY ADDITIONAL MONEY INTO, AND ALSO DEBT REDUCTION AND CAPITAL PROJECT EXPENDITURES)



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RESULTS OF UC MEETING (cont.)

8. Possible Other Business - Time for Commissioners

- a. Confirmation RE: Attendance to FMEA/FMPA and/or APPA Annual Conferences – Requested by Chairman Biedenbach during 2-27-17 U.C. Mtg.

(CONTINUATION FROM 2-27-17 UC MTG. FOR THREE NEWEST APPOINTED UC COMMISSIONERS TO CHECK SCHEDULES FOR POSSIBLE ATTENDANCE AT ABOVE LISTED CONFERENCES)

(COMMS. HOLCOMB* INDICATED HE COULD ATTEND FMEA/FMPA CONFERENCE IN PONTE VEDRA)

(*NOTE-SUBSEQUENT TO 3-20-17 UC MTG., COMMS. HOLCOMB INDICATED HE COULD NOT ATTEND FMEA/FMPA IN JULY BUT WILL BE CHECKING TO SEE IF HE COULD ATTEND APPA IN ORLANDO IN JUNE. CAN BE DISCUSSED AT NEXT UC MTG. IN APRIL)

**✓ A Check Mark Indicates Items For Which Commission Approval Has Been Requested On This Agenda
Please Note – Most Discussion Items Will Not Have Documentation, Will Be Listed On Agenda Only**

- ** Consent items to be approved as recommended or accepted as appropriate without further comments unless discussion is requested by Commissioner.
- ** Pursuant to Section 286.0105 of the Florida Statutes, if an individual decides to appeal any decision made by the Utilities Commission, City of New Smyrna Beach, Florida, with respect to any matter considered at a meeting or a hearing, that individual will need a record of the proceedings, and will need to ensure that a verbatim record of the proceedings is made. The transcription of such a verbatim will be provided an individual at a cost to be determined by the Utilities Commission in accordance with the full cost to reproduce such transcriptions and copies.
- ** In accordance with the American with Disabilities Act, persons needing special accommodations to participate in this proceeding should contact the individual or agency sending notice no later than two days prior to the proceeding at the address given on the notice.