

**New Smyrna Beach Utilities Commission Regular Meeting
January 27, 2025**

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

Quarterly Employee Recognitions

Six (6) employees were recognized for their outstanding achievements.

Safety Message by Chris Miller: Emergency Preparedness

Mr. Miller outlined the steps necessary to prepare for natural and made-made disasters.

Public Participation:

A representative from Silver Sands spoke and commended the Utilities' choice of the engineering firm reviewing the Septic-to-Sewer project that suggested not adding an additional lift station to the area and keeping the esthetics of the community in mind. He also applauded Chairman Davenport and CEO Chavez for reaching out to state representatives to obtain more funding for the project. Additional funding will lower the cost to homeowners who participate. Chairman Davenport is working with State Representatives Tom Wright and Chase Tramont, as well as County Commissioner Robbins on funding/grants. \$14M has already been obtained.

Approval of Consent Items - 4 items were presented and all were approved.

- a. Minutes the Regular NSBU Commission Meeting Held 12-23-24
- b. Award Approval – Annual Lawn Services Program
- c. Ratification – Emergency Expenditures – Hurricane Milton
Budget Ratification – (Increase)) w/Award – TSM Field Street Transmission Project

General Manager's Report -CEO E. Chavez

Financial Status – December 2024 - C. Girvan

Dec 2024 FYTD financials reflect a change in net assets of approx. \$0.5M. Change in net assets \$2.0M lower versus prior year

- Lower revenues due to no FEMA (approx. 1.8M in prior year), increased operating expenses and purchased power costs, lower capital contributions and lower fuel and purchased power revenue adjustments. Partially offset by increased electric revenue and lower over-recovery adj., which reduces revenue and increases PP reserves.
- Electric year-over year consumption is slightly higher vs. the prior year

December water consumption is as follows:

- Water usage reflects approx. 6% decrease vs. prior year
- Wastewater is 4% lower than the prior year and Reclaimed is 23% lower vs. prior year.

December Purchased Power is \$52.13 per MWh approx. 9% lower than the \$57.52 per MWh Budget.

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

- The current **over-recovery** position of approx. \$9.5M which is approx. \$4.5M greater than target. The fuel and Purchased Power adjustment was reduced to \$6.00 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. NSBU is evaluating the targeted reserve.

December 2024 Operating Income/ (Loss)

- December '24 FYTD operating income of \$0.9M is \$0.7M less than December '23. December FYTD increased operating income is driven by **lower** over-recovery adj. which reduces revenue and increases PP reserves, lower year-over-year depreciation, and increased revenue (electric) partially offset by increased operating expenses and purchased power costs,
- Fuel and Purchased Power Cost Adjustment Clause. The targeted reserve is 20% of annual purchased power costs (est. \$5M+.)

December 2024 Change in Net Assets:

- December '24 Capital Contributions were \$0.2M, which is \$0.3M lower than the prior year. December FYTD capital contributions comprised primarily cash.

December 2024 FYTD Results – Capital expenditures \$4.3M

- \$2.1M – 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)
- \$2.2M – Annual project spend includes: gravity sewer lining, transformers, and new business electric & water installations, vehicles, transformers. (routine projects)

1st Quarter FY2025 Balanced Scorecard and Enterprise Metrics Sept-Dec 2024

Safety and Risk:

- There were zero recordable injuries and vehicle accidents in Dec and Q1. Human Performance tools and future training will help reduce human error and improve safety through tools identifying risks and how to mitigate them.

Electric Reliability:

- “FY25 is off to a solid start.” The frequency of outages, the average duration of outages, and Customer Restoration times are all in the “green” beating goals. These are important measures of overall customer experience. Six major improvement plan items were briefly recapped including improvements to reliability and the automation of restoration processes.

Cost Management & Water Reliability:

- Annual cost for Electric, water and wastewater O&M costs 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.

Customer Service:

- Call Center Service levels exceed the targets. Abandoned call rates and the average speed to answer calls both beat their targets again, demonstrating that Overall Customer Service metrics continue to be exceptional, beating industry standards.

Materials Mgt., HR and Info Technology:

- The average days to issue PO’s both under and over \$75.0 were equal to or less than the max of 2.2 days. The average employee counts and average recruitment days were slightly higher than forecast. Cyber Security training participation reached 91.4%MTD and 94.4% FYTD vs the target of less than or equal to 85%. Substantial Cyber security training improved over the prior year.

In summary, there were no reportable compliance violations and the Q1 performance is positioning NSBU to meet the FYE 2025 targets.

Commission Counsel’s Report – General Counsel

General Counsel Ramos noted that the High Tower 2017 lawsuit is over with expenses being reimbursed.

Old Business - none

New Business - none

Possible Other Business -Time for Commissioners:

Commissioner Conrad suggested finalizing the quarterly workshop calendar. Possibilities suggested were an hour prior to the monthly meetings or a separate day with no specific time limits. CEO Chavez and Executive Mgr. Deb Simmons will reach out to the commissioners for their schedules and a proposal for times will be discussed at the February regular monthly meeting.

Meeting Adjourned