

**CITY OF WINTER PARK
UTILITIES ADVISORY BOARD**

**Regular Meeting
500 N. Virginia Ave
Public Safety Community Room**

**April 8, 2014
12:00 pm**

MINUTES

Present: Greg Seidel, John Reker, Richard James, Michael Smith, Katherine Johnson, Mukesh Joshi, David Smith

Absent: Linda Lindsey, Dan Swanson

City of Winter Park Staff: Jerry Warren, Director, Electric Utility; David Zusi, Director, Water/Wastewater Utility; Wes Hamil, Director, Finance; Clarissa Howard, Director, Communications; Terry Hotard, Asst. Dir. Electric Utility, Mark Brown, Electric Utility; Gary Heller, Water/Wastewater; Delsia Margraf, Utility Billing Manager, Debbie Wilkerson, Recording Secretary

CALL TO ORDER. Chm Seidel called the Utility Advisory Board meeting to order at 12:05 pm.

ADMINISTRATIVE ITEMS

Approval of Minutes:

Chm Seidel asked for approval of the minutes from the March 11, 2014, regular meeting. Mr. Reker moved to approve as presented, seconded by Dr. Johnson, motion carried 7-0.

Citizen Comments:

None

Mr. Warren explained the reason for the power outage the City experienced on April 8, 2014. A breaker opened at the Canton substation which indicates a problem in the line but it does not identify where the problem is located. It appears the breaker failed, since there no issue was found in the line. Mr. Warren responded to questions regarding the City's replacement policy.

NEW BUSINESS

The Board discussed a letter received from Barrett Williams, 9001 Pine Ave, Brentwood, MO 63144, urging the City to stop its undergrounding primary electric power lines. Board consensus was that no response was necessary.

Mr. Joshi reported on a discussion he had with Tallahassee regarding the Sunshine Law. Mr. Warren explained that to avoid opportunities for violations, the City prefers that all communications between Board members go through staff.

Action Items

City Wide Septic Tank Incentives

Mr. Zusi explained that he is still working on the Fairbanks Water/Sewer Impact Fee Deferral Program so he is holding off on the septic tank program. Impact Fee program still has a couple of issues, technical and legal, that he is working on. The technical side is the City had intended for collection purposes to put the recurring charges over 24 months on the utility bill which would guarantee payment. The problem is two-fold; the software the City uses is somewhat antiquated and it makes it difficult to track fees which impact the permit, the legal issue is a lot of the time the property is leased and the leasee is the one that gets the utility bill, not the owner. The software will allow the City to invoice the property owner, but it removes the inducement to pay that the utility bill provides. Once the details are worked out the ordinance will go to the City Commission for approval. Once the ordinance is approved he can start working on the details for the Septic Tank

Incentives. Discussion ensued regarding alternatives. Mr. Zusi will work on resolving the issues and bring back the program for the Board's review.

REPORTS

Financial Report

Mr. Hamil reviewed the February financial report for water and sewer fund. He reported that sales in terms of both thousands of gallons and dollars are about 4% behind budget. Projects for annual sales in both dollars and gallons take into consideration the seasonality of water usage trends. Bottom line for the first quarter is a positive \$829,587 and debt service coverage is projected to be very strong at 2.0 for the fiscal year.

Mr. Hamil reviewed the February financial report for the electric services fund. He reported electric sales in kWh are on track to meet budget. Annualized sales in terms of both kWh and dollars take into consideration the seasonality of electric sales. Bottom line for the first five months is a positive \$936,311. Debt service coverage is projected to be 2.92 for the fiscal year. Mr. Hamil responded to questions. He reported that the City is moving forward with a tender offer for remaining auction rate bonds.

Usage Graphs Water, Wastewater and Electric,

Mr. Reker reviewed the water and sewer graphs which cover changes in water sales, irrigation sales and the consumptive use permit. Mr. Reker commented that residential sales went down and commercial sales went up for no apparent reason. Mr. Reker presented the new 12 month moving rainfall graph created by Mr. Heller.

He also provided electric graphs which cover the Monthly % Change in kWh consumption from Prior Year's month, Moving Total 12 Months kWh Sales, and Residential kWh vs Heating and Cooling Degree Days. He stated it was another good month residential is up 3% and commercial is up 7%. He reviewed the usage for the Alford Inn which accounts 2 million kWh. He also mentioned the other commercial properties that account for the steady increase in commercial. The new properties were included in the forecast. The Utility is currently on budget. Mr. Reker responded to questions.

Water/Wastewater Report

Mr. Zusi reported that the Magnolia water plant received an award. This is the second time they have won this award. The Board requested that Mr. Zusi convey the Board's congratulations on their award. The Fairbanks Ave. project is complete and people are connecting to the sewer. Mr. Zusi reported that the City is exploring opportunities, especially in parks, to irrigate with non-potable water. He is happy to report that Lake Island and Dinky Dock are now irrigated with non-potable water.

Electric Utility Report

Mr. Warren presented the reliability indicators. He commented that they are looking good.

Mr. Warren explained he does not have the February fuel adjustment, because he doesn't have the February invoices. He reviewed rate comparison and power supply.

Beginning Balance	748,165
Fuel Revenues Collected	\$1,254,785
Fuel Cost Purchased Power	\$1,096,694
Over/(Under) Collected	\$158,091
Cumulative to date (includes balance of NEIL refunds)	\$906,256

Mr. Warren commented that he is looking at a purchase power adjustment instead of a fuel adjustment and explained the reasons. Mr. Warren responded to questions.

Apr-June 2014 Fuel Adjustment

Total Desired quarterly Recovery	\$4,165,667
Estimated Retail Sales (MWh)	103,268
Quarterly Fuel Adjustment System avg (\$/MWh)	\$40.84
Previous Qtr (\$/MWh)	\$39.69
Same Qtr Last year (Apr-June) (\$/MWh)	\$47.75

Rate Comparison 1,000 kWh	WPE Apr-June	Duke Apr-June	Difference	
			\$	%
Base Bill	\$74.20	\$81.39	+\$7.19	+9.7%
Fuel Adjustment	<u>36.47</u>	<u>40.77</u>	<u>+4.30</u>	<u>+11.8%</u>
Electric Bill *	\$110.67	\$122.16	\$11.49	+10.4%

*Excludes franchise fee and taxes

O/H Service UG Strategies

Mr. Warren summarized the underground strategies that the Board agreed to

- Continue incentive program:
 - Offer reduced price when U/G neighborhood
 - Offer reduced price from time to time as groups of O/H services suggest efficient UG

- Offer time payment plan
- Adjust trigger that requires underground services associated with renovation
 - Lower from renovation = 50% of assessed value of improvements on property to renovation is ≥ 20 times cost of service conversion.
- Require undergrounding upon transfer of property when purchase price exceeds \$300K
 - City Attorney does not like dollar hurdle
 - Suggests that it apply to all transactions, but create a program to address hardship cases.
- Possible funding for CRA area conversions 770 services.
- Impose an increased customer charge for customers that decline to convert after some deadline. Current = \$9.35/mo. (e.g. \$25-\$25/mo.)

Mr. D. Smith moved to present the following undergrounding strategies to the City Commission for approval, Mr. Joshi, seconded the motion, motion carried 5-0.

- Continue incentive program:
 - Offer reduced price when U/G neighborhood
 - Offer reduced price from time to time as groups of O/H services suggest efficient UG
 - Offer time payment plan
- Adjust trigger that requires underground services associated with renovation
 - Lower from renovation = 50% of assessed value of improvements on property to renovation is ≥ 20 times cost of service conversion.
- Require undergrounding upon transfer of property, 1% of the sale price up to the cost of underground, (\$3,000).
 - Create a program to address hardship cases.
- Possible funding for CRA area conversions, 770 services.

Mr. Warren updated the Board on the status of the Fairbanks undergrounding. He reported that Duke agreed to let Winter Park Electric underground the distribution system. The distribution estimate is \$1.8M at the 35% design stage.

Fairbanks Cost Estimate:

Distribution	=	\$1.8 million
Duke Energy	=	<u>\$8.5 million</u>
Total Estimated Cost	=	\$10.3 million
 FDOT available funding		 \$12.0 million

Mr. Warren reported on on-going conversations with Duke Energy about the Duke Transmission issue regarding OUC distribution transaction

- What happens when we lose an OUC feeder
 - Do we switch to a Winter Park feeder served by Duke’s transmission
 - Does Duke lose transmission revenues?

Operational Solutions

- Transfer load on an emergency basis to the other OUC feeder (there are two)
- Implement 2 or 3 other “emergency interconnections” with OUC
- Use voltage reduction to lower the load
- Implement an interruptible rate for City-owned facilities
- Use City-owned generation to reduce peak demand
- Use customer-owned generation to reduce peak-demand

Utility Billing

Ms. Margraf reported utility billing is functioning as usual.

Communications

Ms. Howard reported that the City sent out an email regarding some fraud that was happening. Residents were being contacted and told that if they didn't prepay their service was going to be disconnected. The email informed residents that the City would never do anything like that.

The Hazardous Waste pick up is scheduled for April 12, with the Spring Cleanup taking place the week of May 5-12. She announced that SunRail will start operations May 1 with the first 2 weeks free.

Action Items

- ❖ City wide incentive to connect to sewer program

ADJOURNMENT

Chm. Seidel adjourned the meeting at 2:07 p.m. Next regular meeting date, May 13, 2014.

Respectfully submitted,

Debbie Wilkerson

Debbie Wilkerson, Recording Secretary