

**CITY OF WINTER PARK
UTILITIES ADVISORY BOARD**

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

**May 13, 2014
12:00 pm**

MINUTES

Present: Greg Seidel, Richard James, Mukesh Joshi, David Smith, Linda Lindsey, Dan Swanson

Absent: John Reker, Katherine Johnson, Michael Smith

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. Chm. Seidel introduced Jennifer Lyons a new board member.

ADMINISTRATIVE ITEMS

Approval of Minutes:

Chm Seidel asked for approval of the minutes from the April 8, 2014, regular meeting. Mr. Joshi moved to approve as presented, seconded by Mr. James, motion carried 6-0.

Citizen Comments:

None

The Board discussed any feedback received on the letter received from Barrett Williams, 9001 Pine Ave, Brentwood, MO 63144, urging the City to stop its undergrounding primary electric power lines.

NEW BUSINESS

Sustainability Action Plan

Mr. Stenger, Building and Sustainability Manager provided a brief overview of the Sustainability Action Plan and described the public input element, dates, survey, and forums. The Board asked Mr. Stenger to attend its monthly meeting and provide sustainability updates. The sustainability report will be added to the agenda.

ACTION ITEMS

Mr. Zusi explained that he had just received the attorney's draft ordinance on the Fairbanks Fee Deferral Program. He will review the ordinance and hopes to send out copies of this ordinance and the City Wide Septic Tank ordinance to the Board prior to the June meeting.

REPORTS

Communications

Ms. Howard reported that the City Commission voted to approve the extension of Lee Rd and to bring a baseball team to Winter Park. Ms. Howard explained that the Commission's vote on the baseball team is just the first step in the process.

Financial Report

Mr. Hamil reviewed the March financial report for water and sewer fund. He reported that sales in terms of both thousands of gallons and dollars are about 5% below our forecast. This translates to our

revenues being projected to be about 3.4% below our budget estimates. Projects for annual sales in both dollars and gallons take into consideration the seasonality of water usage trends. Based on spending for the first six months of the fiscal year, it does not appear any further adjustments are necessary to our water and sewer budget. Bottom line for the first quarter is a positive \$925,509 and debt service coverage is projected to be very strong at 1.98 for the fiscal year. Mr. Hamil reported that the City is in the process of updating the five year plan. Mr. Zusi responded to questions.

Mr. Hamil reviewed the March financial report for the electric services fund. He reported electric sales in kWh are up about 3% from last year at this time. Annualized sales in terms of both kWh and dollars take into consideration the seasonality of electric sales. Fuel costs are over-recovered by about \$33,000 for the six months ended March 31, 2014. The balance in our fuel cost stabilization fund at March 31, 2014 was \$1,008,737. Bottom line reflects a positive \$680,371. Debt service coverage is projected to be a strong 2.92 for the fiscal year.

Mr. Hamil reported that the City has finalized its settlement with J.P. Morgan and Morgan Stanley for the auction rate securities. Net proceeds were \$365,000 which were pro-rated between water, sewer and electric. Mr. Hamil responded to questions

Usage Graphs Water, Waterwaster and Electric,

Mr. Heller reviewed the water and sewer graphs which cover changes in water sales, irrigation sales and the consumptive use permit. Mr. Heller commented that residential water and irrigations sales went up slightly and commercial went down. He reported that there is about an 8% buffer between the CUP and what we are actually using. That equates to about 68 million gallons of water. Mr. Heller responded to questions.

Mr. Warren complimented Mr. Reker for his assistance to the Electric Utility. Mr. Warren reviewed 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. Mr. Warren commented that commercial sales are growing month by month. Even though it is only 19% of our customer count they represent 51% of our sales. He stated that residential sales went down while commercial sales are up. He also mentioned the need to develop strategies that incorporate sustainability while still recognizing the need to maintain profitability for the electric utility. Mr. Warren responded to questions.

Utility Billing

Ms. Margraf reported utility billing is functioning well. She is spending time working on the garbage ordinance preparing for Center Street changes.

Electric Utility Report

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

Mr. Warren provided additional information regarding the power outage the City experienced on April 8, 2014. A painter, working for a subcontractor, pulled the trip lever, the breaker did not fail. Discussion ensued regarding vetting procedures for contractors working with City's electric equipment.

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|---------------------|---------|
| F/A Update April | |
| Beginning Balance | 982,412 |

| | |
|---|---------------|
| Fuel Revenues Collected | \$1,205,381 |
| Fuel Cost Purchased Power | \$1,357,558 |
| Over/(Under) Collected | -\$152,177 |
| Cumulative to date (includes balance of NEIL refunds) | \$ -\$152,177 |

| 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 | | | | |

Fairbanks Undergrounding Update Transmission

- Duke has received estimate from outside engineers
- Duke says the estimate is “favorable when compared to the original high level budgetary estimate”
- Meeting scheduled for May 21

Distribution

- 35% estimate complete = \$1.8 million
- Edited draft project agreement returned by Duke
 - Distribution = \$1.8 million
 - PEF Initial Trans est = \$8.5 million
 - Total Estimated Cost = \$10.3 million
 - FDOT available funding = \$12.0 million

Mr. Warren is optimistic that the project will be a go and he will bring it to the City Commission in June for approval. Mr. Warren responded to questions.

O/H Service UG Strategies

Mr. Warren asked Mr. Mullholand to provide an update on an experiment he is conducting. Mr. Mullholand explained that while some customers did not take advantage of the cost savings to underground their overhead service lines at time the primary was undergrounded, they may be interested now. He selected Aloma Ave. to talk to customers about undergrounding now at the previous incentive of \$1,000. He is encouraged by the positive response. He provided a copy of the brochure he is distributing. Discussion ensued regarding the benefits of the program, additional ways to increase participation, and consequences for not undergrounding overhead service lines.

Mr. Warren reiterated Mr. Joshi’s idea requiring undergrounding upon title transfer when purchase

price exceeds \$300K, given the \$3,000 cost of conversion, this is a good trigger. Mr. Warren met with the City's attorneys who did not support this idea. He also met with some bankers who liked the idea. He is planning to meet with realtors to see how they feel about it.

Action Items

- ❖ Fairbanks and Connect sewer program ordinances

ADJOURNMENT

Chm. Seidel adjourned the meeting at 1:54 p.m. Next regular meeting date, June 10, 2014.

Respectfully submitted,

Debbie Wilkerson

Debbie Wilkerson, Recording Secretary