

**CITY OF WINTER PARK  
UTILITIES ADVISORY BOARD**

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

**August 12, 2014**  
**12:00 pm**

**MINUTES**

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**Present:** Mukesh Joshi (Vice Chair), Richard James, John Reker, David Smith, Dan Swanson, Jennifer Lyons, and Linda Lindsey

**Absent:** Katherine Johnson (Chair), Cheryl Forney

**City of Winter Park Staff:** Jerry Warren, Director, Electric Utility; David Zusi, Director, Water/Wastewater Utility; Terry Hotard, Asst. Dir. Electric Utility; Abby Gulden, Sustainability Manager; Debbie Wilkerson, Recording Secretary

**Guests:** Bobbie Sue Angelucci – ENCO

**CALL TO ORDER.** Vice Chm Joshi called the Utility Advisory Board meeting to order at 12:06 pm. He announced that due to Michael Smith's resignation, Cheryl Forney has been moved to full member and an alternate will be appointed at a future date.

**ADMINISTRATIVE ITEMS**

Approval of Minutes:

Vice Chm Joshi asked for approval of the minutes from the July 8, 2014, regular meeting as presented. Ms. Lindsey moved to approve as presented, seconded by Mr. D. Smith motion carried 7-0.

Citizen Comments:

Vice Chm Joshi complimented staff on keeping the UAB pages of the website up to date.

**NEW BUSINESS**

The 2015 Water Forecast was postponed.

**ACTION ITEMS**

Mr. Zusi reported that the second reading of the West Fairbanks Avenue Water/Sewer Impact Fee Deferral Program ordinance was approved. He reviewed what would be included in the agreement including owner and the tenant signatures and the ability to link it to the utility bill giving us some control over payments. Once the attorney approves this template it will be used for the second ordinance dealing with the City wide conversion from septic tank to sewer.

Mr. Reker requested an update on the Electric Utility Conservation Program including trends, requests for energy audits, money spent on rebates and what rebates are most popular. Mr. Zusi stated that he would provide an update for water/wastewater conservation programs as well.

**Financial Report**

Mr. Hamil reviewed the June financial report for water and sewer fund. He reported that sales in terms of thousands of gallons are projected to be about 3.1% below forecast. Revenues are projected to be about 3.0% below budget estimates. It does not appear any further adjustments are necessary. Bottom line reflects a positive \$1,444,518 and debt service coverage is projected to be a strong 1.93 for the fiscal year. He reported that impact fees are down.

Mr. Hamil reviewed the June financial report for the electric services fund. Mr. Hamil explained that

the deficit is due to planned spending of carry forward money budgeted for undergrounding in the prior fiscal year. He reported electric sales in kWh are 3% over the prior year and on track to meet budget. Annualized sales in terms of both kWh and dollars take into consideration the seasonality of electric sales. Fuel costs were under recovered by about \$444,000 for the nine months ending June 30, 2014. Bottom line reflects a deficit \$384,836 and debt service coverage is projected to be a strong 2.84 for the fiscal year. Fitch affirmed our rating of AA minus with a stable outlook. Mr. Hamil responded to questions.

**REPORTS**

**Usage Graphs Water, Waterwaster and Electric,**

Mr. Reker reviewed the water and sewer graphs which cover changes in water sales, irrigation sales and the consumptive use permit. He reported that residential sales were up 10% and commercial sales are up 10%. During June and July rainfall decreased. Sales from irrigation meters are up 24% for residential and no change for commercial

Mr. Reker also provided electric graphs that 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. Residential went up 3%. Commercial went up 1%. Reker responded to questions.

**Water/Wastewater Report**

Mr. Zusi reported that he is working with FDOT and the I/4 Corridor contractors to discuss conflicts and scheduling for the I/4 Improvements. After his meeting with them he will have more information to share about impacts to the City.

**Electric Utility Report**

Mr. Warren stated that his focus today would be on fuel adjustment vs purchase power concept. He used fuel adjustment graphs from previous meetings to make clear how fuel adjustment is calculated. He introduced for discussion purchase power adjustment vs fuel adjustment. He explained the difference and benefits to the City of purchase power adjustment.

<b>F/A Update May</b>	
Beginning Balance	\$828,656
Fuel Revenues Collected	\$1,359,787
Fuel Cost Purchased Power	\$1,712,391
Over/(Under) Collected	-\$352,604
Cumulative to date (includes balance of NEIL refunds)	+\$476,052

**July-Sept 2014 Qtrly Fuel Adjustment**

Fuel Adjustment Stabilization Fund Bal (May 2014)	\$476,052
Maximum allowed per CC policy (~5% of FY Fuel Budget)	\$900,000
Minimum Desirable (mgmnt policy)	\$500,000

True-up included in Fuel Adjustment	\$250,000
Estimated Retail Sales (MWh)	123,525
True-up included in F/A (\$/MWh)	\$2.02

### July-Sept 2014 Qtrly Fuel Adjustment

Total Estimated quarterly fuel cost	\$5,22,362
True-up Included	\$250,000
Total amount to be recovered	\$5,472,362
Estimated Retail Sales (MWh)	\$123,525
Quarterly Fuel Adjustment System avg (\$/MWh)	\$44.30
Previous Qtr (\$/MWh)	\$40.34
Same Qtr Last year (July-Sept) (\$/MWh)	\$51.29

Rate Comparison 1,000 kWh	WPE Aug-Sept	Duke July-Sept	Difference	
			\$	%
Base Bill	\$74.20	\$81.39	+\$7.19	+9.7%
Fuel Adjustment	<u>39.51</u>	<u>40.77</u>	<u>+1.26</u>	<u>+3.2%</u>
Electric Bill *	\$113.71	\$122.16	\$8.45	+7.4%
*Excludes franchise fee and taxes				

### F/A Update, June 2-14

	June 2014
Beginning Balance	\$427,203
Fuel Revenues Collected	\$1,535,254
Fuel Cost Purchased Power	\$1,702,286
Over/(Under) Collected	-\$167,032
Ending Balance	+\$260,171

**Mr. Warren reported that he wanted an impartial evaluation of the fuel adjustment so he requested that Bill Herrington evaluate the process. Mr. Herrington reported the following:**

- Concluded that methodology was competent & found no errors.
- Observed that since the preparation of the July-Sept F/A, natural gas prices had dropped.
- Predicted an over recovery of an additional \$250k.

F/A Update July 2014

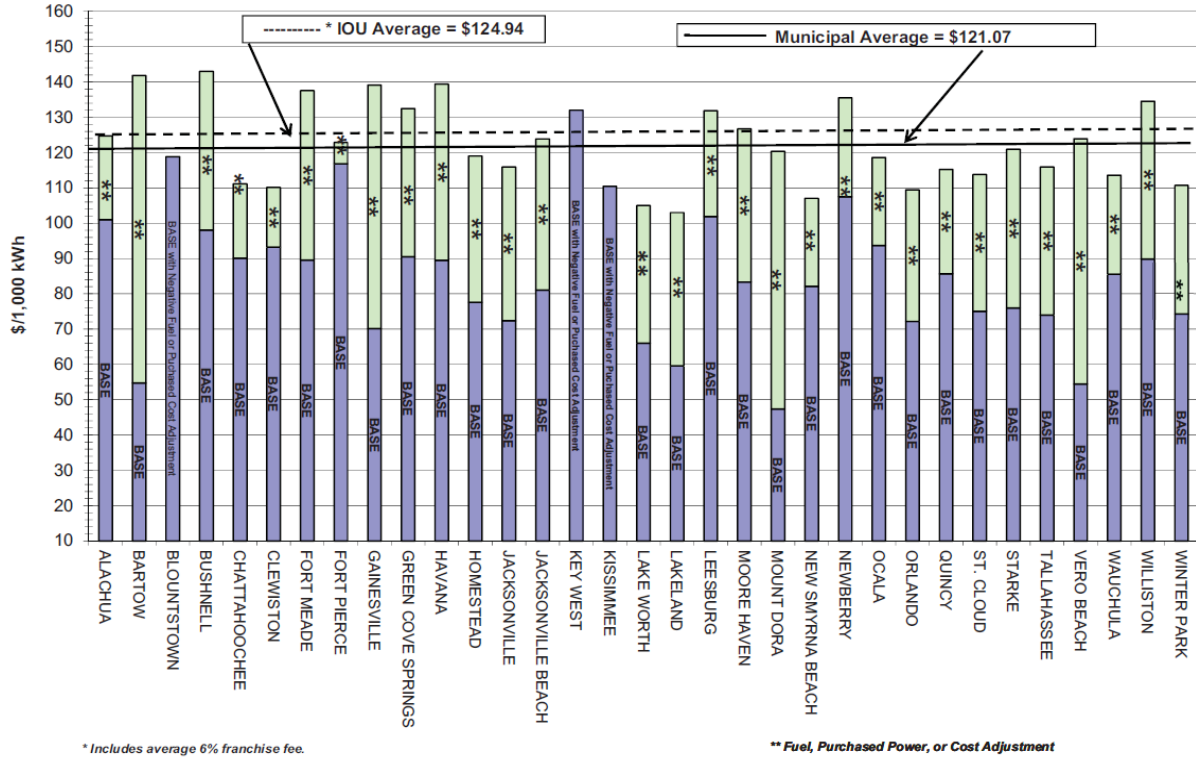
	<b>July 2014</b>
Beginning Balance	\$260,171
Fuel Revenues Collected	\$1,781,577
Fuel Cost Purchased Power	\$1,783,529
Over/(Under) Collected	-\$1,952
Ending Balance	+\$258,219

Extraordinary Adjustment to Aug-Sept Fuel Adjustment	Aug-Sept
Added True-up	\$100,000
Estimated retail sales	~ 81,000 MWh
Additional True-up (\$/MWh)	\$1.23

	WPE Aug-Sept	Duke July – Sept	Difference	
			\$	%
Base Bill	\$74.20	\$81.39	+\$7.19	+9.7%
Fuel Adjustment	<u>40.74</u>	<u>40.77</u>	<u>+\$0.03</u>	<u>+0.07%</u>
Electric Bill *	\$114.94	\$122.16	\$8.45	+6.3%

\* Excludes franchise fee and taxes

### Residential Bill Comparison, June 2014



Compiled by: Florida Municipal Electric Association - publicpower.com

10 MW 24x7 7,300 MWh	Option 1	Option 2
Demand Charge	\$6,500/MW-Mo	\$18,000/MW-Mo
Fuel Cost	\$45/MWh	\$23/MWh
Demand Cost	\$65,000	\$180,000
Fuel Cost	<u>\$328,500</u>	<u>\$167,900</u>
Total Monthly Cost	\$393,500	\$347,900
\$/MWh	\$53.90	\$47.65
Impact of Option 2	To City	To Customer
Fuel Adjustment	+\$115,000/mo	-\$160,600/mo
PPA	\$0	-\$45,600

Mr. Warren will bring a final recommendation to the September meeting. Mr. Warren responded to questions.

### Sustainability Report

Ms. Gulden reported that she, Mr. Stenger and the Keep Winter Park Beautiful Board had discussed the issue of goals used in the SAP and the new strategy is to have a meeting with Jerry Warren and David Zusi to reevaluate the water and energy goals and the methodology, to see if a compromise can be reached. Once everyone is comfortable with the numbers the complete report will be presented to the UAB.

**Utility Billing**

None

**Communications**

Ms. Howard reported on upcoming publications. She also reminded the Board that the Mayor is looking for recommendations to fill the opening on the Board.

Mr. Swanson requested an update on the vehicle charging stations

**Action Items**

- Update on Energy Conservation programs
- Purchase Power Adjustment vs Fuel Adjustment Recommendation
- Update on Charging Stations

**ADJOURNMENT**

Vice Chairman Joshi adjourned the meeting at 1:15 p.m. Next regular meeting date, September 9, 2014.

Respectfully submitted,

**Debbie Wilkerson**

Debbie Wilkerson, Recording Secretary