

**CITY OF WINTER PARK
UTILITIES ADVISORY BOARD**

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

**October 14, 2014
12:00 pm**

MINUTES

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

Absent:

City of Winter Park Staff: Jerry Warren, Director, Electric Utility; Terry Hotard, Asst. Dir. Electric Utility; Gary Heller, Water/Wastewater; Delsia Margraf, Utility Services Manager; Kris Stenger, Building and Permitting Manager, Kris Stenger, Building and Sustainability Manager; Abby Gulden, Sustainability and Permitting Coordinator; Debbie Wilkerson, Recording Secretary

Guests:

Call to Order. Chm. Johnson called the Utility Advisory Board meeting to order at 12:02 pm.

ADMINISTRATIVE ITEMS

Approval of Minutes:

Chm Johnson asked for approval of the minutes from the September 10, 2014, regular meeting. Ms. Lindsey moved to approve as presented, seconded by Mr. James, motion carried 8-0.

Citizen Comments:

None

NEW BUSINESS

2015 Water Forecast postponed until November meeting.

Overview of Water Conservation Programs

Mr. Heller presented a PowerPoint presentation that covered the history of water conservation and water conservation efforts offered by the City including:

Free irrigation help	Irrigation meter policy (2008)
Watering Restriction Updates	Partner with Energy Star Program
Partner with EPA Water Sense Program	2767-09 Irrigation Ordinance
2766-09 Landscape Ordinance	Low flow toilets and high efficiency washing machine rebates

He explained the amount of water saved using new appliances, the rebates offered per household and how consumers learn about the rebates. Mr. Heller outlined past conservation efforts including:

Water Conservation Brochures	Florida Yards and Neighborhood Workshops
Basic Irrigation and Landscape Principles Workshop	April Water Conservation Month Proclamation.
Conservation Tip of the Week on City's webpage	

Mr. Heller reported that ongoing conservation efforts include Parks reducing potable water usage by utilizing alternative water sources and expanding water reuse. He also provided a graph that showed the beneficial impact of having the City's irrigation technician review homeowners' irrigation system. The Board agreed to continue discussion on lack of charges for reclaimed water service at the next meeting when Mr. Zusi will be in attendance to respond to questions and concerns. Mr. Heller responded to questions regarding conservation.

ACTION ITEMS

Sustainability Action Plan Update

Ms. Gulden provided background on the development of the building, energy, and water sections of the Sustainability Action Plan. She explained the changes made to the SAP to make it more acceptable to the current conservation philosophy. Ms. Gulden responded to questions and noted suggested additions to the Plan. Mr. Reker moved to provide a letter of support for the Sustainability Action Plan as presented, seconded by Mr. Smith, motion carried 9-0.

(David Smith 1:10)

REPORTS

Financial Report

Mr. Hamil reviewed the August financial report for water and sewer fund. He reported that sales in terms of thousands of gallons are projected to be about 3.7% below forecast. Revenues are projected to be about 2.0% below budget estimates. Staff believes budgetary spending savings will be adequate to cover this projected shortfall. It does not appear any further adjustments are necessary. Bottom line reflects a positive \$1,545,840 and debt service coverage is projected to be a strong 1.95 for the fiscal year. Mr. Hamil also provided a copy and reviewed the 5 year Water/Sewer and Electric Capital Improvement Plans.

He reported electric sales in kWh are 3% over the prior year and on track to exceed 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 \$500,000 for the eleven months ending August 31, 2014. The balance in our fuel cost stabilization fund at August 31, 2014, was \$207,121. September and October sales at the current fuel cost recovery rates should bring our stabilization fund balance closer to the target range of \$500,000 - \$1,000,000. Debt service coverage is projected to be a strong 2.78 for the fiscal year.

Mr. Hamil reported that there has been interest in auction rate bonds. He reminded the Board of the tender offer made in May/June 2014 which allowed the City to buy back \$7,815,000 of auction rate bonds at \$.97 on the dollar with a 20 year, 2.74 fixed rate interest from Pinnacle Public Finance. Since that time we have had movement in the market and a buyer who consolidated \$6,200,000 of the \$7,445,000 outstanding bonds is offering to sell them to the City at \$.965 on the dollar. Pinnacle is offering a 2.99 interest rate and we should complete the sale by the end of the month. Mr. Hamil responded to questions.

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 1% and commercial sales are up 3%. The moving 12 months water sales slide shows sales above 2014 budget which is helpful to the financial situation. Sales from irrigation meters are down -21% for residential and about even 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. Mr. Reker reported that the budget exceeded the forecast due to a hotter summer and a cooler winter. Mr. Reker responded to questions. The Board complimented Mr. Reker on his accurate forecast.

Water/Wastewater Report

None

Electric Utility Report

Mr. Warren reviewed the quarterly fuel adjustment. He explained the adjustments made in August /September and why they were necessary. He also explained how the timing of the invoices affects decisions regarding actions to take regarding the fuel cost stabilization fund.

Mr. Warren reported that customer rates are outstanding. He commented that Progress Energy's negative predictions ten years ago about the outcome of purchasing the electric utility did not come true. We have improved reliability, lowered rates, reimbursed the city early and are still investing \$3.5M a year in undergrounding.

Mr. Warren reported that he has issued an Invitation to Negotiate for Utility Consultant Services. Responses are due back October 15, 2014. This is a short term contract to provide consulting services associated with planning, construction, and O&M of the electric utility. The options at the end of the contract are renew, terminate or hire as Jerry's replacement.

Mr. Warren reported that he is working on restructuring the contract with ENCO. He reviewed an Organizational Chart showing the current staffing and proposed staffing changes. He also explained the reasons behind the changes.

Utility Billing

Ms. Margraf commented that having an irrigation tech on staff to perform audits is an asset to customer service.

Communications

Ms. Howard confirmed the conservation particulars to include in City publications. She reported that last month's calendar inserts were not included in the bills so they are being mailed out separately at the mailing company's expense. She reviewed upcoming events; details are on the City website.

Sustainability Report

Ms. Gulden reported that the announcement of who is moving on to the next level of the Georgetown Energy Prize will be made November 3, 2014.

Action Items

- Water Forecast
- Charges for reclaimed water

ADJOURNMENT

Chair Johnson adjourned the meeting at 1:35 p.m. Next regular meeting date, November 11, 2014.

Respectfully submitted,

Debbie Wilkerson

Debbie Wilkerson, Recording Secretary

Approved, November 11, 2014