

**CITY OF WINTER PARK
UTILITIES ADVISORY BOARD**

Regular Meeting
500 N. Virginia Ave
Public Safety Community Room

January 13, 2015
12:00 pm

MINUTES

Present: Katherine Johnson (Chair), Richard James (Vice chair) John Reker, Jennifer Lyons, Linda Lindsey and Cheryl Forney

Absent: Hugh James, Dan Swanson, David Smith

City of Winter Park Staff:; David Zusi, Director, Water/Wastewater; Jerry Warren, Director, Electric Utility; Clarissa Howard, Director, Communications; Wes Hamil, Director, Finance; Terry Hotard, Asst. Dir. Electric Utility; Mark Brown, Electric Utility; Gary Heller, Water/Wastewater; Delsia Margraf, Utility Services Manager; Abby Gulden, Sustainability and Permitting Coordinator; Nikki Johnson, Fairbanks Project Coordinator; Mukesh Joshi, Consultant; Debbie Wilkerson, Recording Secretary

Guests: David Mullholand, Underground Project Manager (Heart Utilities), Bobbie Sue Angelucci, Office Manager (ENCO)

Call to Order. Chm. Johnson called the Utility Advisory Board meeting to order at 12:00 pm.

ADMINISTRATIVE ITEMS

Approval of Minutes:

Chm Johnson asked for approval of the minutes from the December 9, 2014, regular meeting. Mr. Reker moved to approve as presented, seconded by Mr. James, motion carried 6-0.

Citizen Comments:

None

NEW BUSINESS

None

ACTION ITEMS

Septic Tank Maps

Mr. Zusi presented maps showing the City's entire service area with colors to identify areas with septic tanks and or sewer. Mr. Zusi explained the areas where sewer is not available, the criteria where a homeowner is required to connect to sewer, if available, the criteria for residents to request sewer, the expense involved in extending sewer lines, and that properly functioning septic tanks are not harmful to the environment. Mr. Zusi responded to questions. No action was taken by the Board.

Residential Bill Comparison

Mr. Warren reviewed the residential bill comparison that is provided each month. He responded to questions raised at the December meeting as to the accuracy of the information provided.

REPORTS

Financial Report

Mr. Hamil reviewed the November financial report for water and sewer fund. He commented that the 2 months of the fiscal year look good. Water sales are a little behind but this report only reflects the first two months of the fiscal year. The bottom line is close to the same as last year at this point and debt

service coverage is projected to be 2.18 as compared to 1.91 of FY 2014. The City received \$1.4 from FDOT to reimburse cost for the Fairbanks Project. This is the final payment.

Electric sales in kWh are about 4.5% behind last year. Fuel costs were over recovered by \$586,000 for the first two months of the fiscal year. Debt service coverage is projected to be 2.95 but to the extent fuel costs over recoveries are reduced over the remainder of the fiscal year, this level will drop to be closer to our 2.54 coverage form FY 2014. Mr. Hamil responded to questions.

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 water usage stayed the same even with a year ago even with the increased rain fall.

Mr. Reker also reviewed 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 responded to questions.

Water/Wastewater Report

Mr. Zusi commented that the I-4 construction project is going to cause some challenges with the increased need for utility locates.

Electric Utility Report

Mr. Warren reported that beginning January 1; we added 10 megawatts from Gainesville and 10 megawatts from Covanta. Mr. Warren summarized the current power supply portfolio. He summarized the December fuel adjustment, rate comparison and reliability.

F/A Update November 2014	November 2014
Beginning Balance	\$956,377
Fuel Revenues Collected	\$1,267,569
Fuel Cost Purchased Power	\$1,081,816
Over/(Under) Collected	\$185,753
Ending Balance	\$1,142,131

F/A January March 2015	November 2014
Oct-Nov (\$/1,000 kWh)	\$38.94
Jan-March:	\$1,267,569
Estimated Fuel Cost	\$3,387,616
Estimated Retail Sales (kWh)	95,724,621

Estimated Fuel Cost Recovery Factor (\$/kWh)	\$35.39
Change in average Fuel Adjustment (\$/kWh)	-\$3.55

Mr. Warren explained changes in the fuel adjustment

- Fuel adjustment tariff requires return of amount exceeding 5% of annual fuel budget estimate ~\$900k for FY 2015
- Requires returning \$242k during a quarter where fuel prices are already significantly declining.
- Returning excess balance in a quarter with a significant decrease in fuel cost is counterproductive, increases volatility in customers' bills.
- Summer months with higher prices are coming
- Keeping excess fuel stabilization amount would be helpful to manage coming increase.
- Main purpose of stabilization amount is to be able to stabilize fluctuations.
- In four months April-July F/A under-recovered ~\$768k
- Balance in Stabilization amount was ~\$212k after July. Below management's \$500k minimum.
- In 4 month period August-December over-recovered ~\$987k
- Swing in stabilization amount over five month period was ~ \$1 million
- Difference in management minimum (\$500k) and tariff allowed max (\$900k) = \$400k
- Amount available to manage swings is too small.
- Recommended to City Commission that the max amount be changed to 10% (\$1.7 million in the current FY)
- Maximum monthly fuel cost ~ \$1.9 million; Average ~ \$1.4 million.
- Staff's goal will be to target a balance ~ \$1.1 million
- Also changed words to require review of adequacy at least quarterly from language that required revision at least quarterly.

F/A Update December 2014	November 2014
Beginning Balance	\$1,142,131
Fuel Revenues Collected	\$1,178,875
Fuel Cost Purchased Power	\$1,121,413
Over/(Under) Collected	\$57,462
Ending Balance	\$1,199,594

Winter Park customers currently enjoy rates that are 9.7% below Duke Energy

Fairbanks Update

- Duke-Winter Park distribution agreement – Duke has incorporated Winter Park's comments and returned draft to Winter Park for approval and/or final comments. Duke removed condition precedent regarding transmission project.
- Duke final review of Winter Park 100% design is under way.
- FDOT has incorporated/accepted Winter Park's final comments. JPA is being final reviewed by the City Attorney.
- Duke has been slow to complete its JPA with FDOT for transmission portion. FDOT reports

that it is in negotiations with Duke for a new “Master Agreement.”

- Must address the removal of the condition precedent:
- Re-insert it in the distribution agreement
- Defer CC approval until after FDOT – Duke transmission agreement.

Mr. Warren reminded the Board of the impact of the OUC feeder on SAIDI numbers. Next month he will provide a full report on the SAIDI with the OUC adjustments fully implemented and a description of what our reliability is doing and why.

Utility Billing

Ms. Margraf reported there are no issues at this time; all is going well.

Communications Report

Ms. Howard reported that the articles about the Energy Conservation Program are going to be included in the City Update and the Utility bill inserts.

She had started planning the 10th anniversary of the City’s purchase of the electric utility and invited Board members to participate. Ms. Johnson and Ms. Lyons volunteered to help.

Sustainability Report

Ms. Gulden reported that the official public announcement of the Georgetown Energy Prize semi-finalists will be announced tomorrow. Winter Park has been notified that they are a semi-finalist and the only one in the southeast. The City will be tracking residential and municipal energy usage. The first Toyota grant workshop was a success and additional workshops are planned. Sustainability is continuing to review the Electric Conservation Program and finalize the transition.

Mr. Reker reported that he received a flyer advertising a service contract to maintain your water service line. Mr. Zusi explained that this is an insurance policy for the water line from the house to the meter.

Action Items

- SAIDI update

ADJOURNMENT

Chair Johnson adjourned the meeting at 1:12 p.m. Next regular meeting date is February 10, 2015.

Respectfully submitted,

Debbie Wilkerson

Debbie Wilkerson, Recording Secretary

Appv’d February 10, 2015