

**CITY OF WINTER PARK
UTILITIES ADVISORY BOARD**

Regular Meeting
500 N. Virginia Ave
Public Safety Community Room

March 10, 2015
12:00 pm

MINUTES

Present: Katherine Johnson (Chair), Richard James (Vice chair) John Reker, Jennifer Lyons, Linda Lindsey, Hugh James, Dan Swanson, David Smith

Absent: Cheryl Forney

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; Gary Heller, Water/Wastewater; Delsia Margraf, Utility Services 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 12:00 pm.

ADMINISTRATIVE ITEMS

Approval of Minutes:

Chm Johnson moved to approve minutes from the February 10, 2015, regular meeting as presented, seconded by Mr. R. James motion carried 8-0.

Citizen Comments:

Mr. Reker requested clarification on two issues:

- He read that the \$1,000,000 contribution to the Dr. Phillips Performing Arts Center came from the utility budget; Wes Hamil, Finance Director, explained that the city is committed to giving \$100,000 per year to the Center for 10 years. He also explained how the funding was divided but was not sure of the exact division, so he will provide additional information at the April meeting. Mr. Reker suggested a Board policy discussion on what are acceptable contributions from Utility funds. Discussion will be added to April agenda.
- Tree budget; where does it come from, who administers it, and how much is it. Jerry Warren, Electric Utility Director, reported that there is an Urban Forestry Division with its own budget but that his department contributes to it for tree trimming around electric lines. He also explained additional functions of the division.

Chm Johnson commented that she was very pleased with utility billing's on-line payment system.

NEW BUSINESS

No items

ACTION ITEMS

Google Fiber

Dr. D. Smith presented a PowerPoint regarding Google Fiber. He explained the identified major users of high speed internet, the potential increases in future usages, and current providers. He reviewed Google Fiber's program including cities selected, residential/business costs, and future plans. Dr. Smith described the steps necessary for Winter Park to be considered for Fiber to the Home (FTTH). The City's IT Department will be invited to the April meeting to discuss options.

REPORTS

Financial Report

Mr. Hamil reviewed the January financial report for the water and sewer fund. Water sales are comparable to the prior year at this point in time and slightly below our forecast. The bottom line reflects a positive \$770,240 and debt service coverage is projected to be a strong 2.05 for the fiscal year.

Standard and Poors recently completed a ratings surveillance of our water and sewer credit. The AA-rating with a stable outlook was affirmed.

Electric sales in kWh are about 4% behind our forecast. Since a large portion of our expenses in electric are the variable cost of purchasing power, this should not have a significant impact on the financial results of the fund.

Fuel costs were over recovered about \$540,000 for the first four months of FY 2015. The balance in the fuel cost stabilization fund was about \$1,103,612 as of January 31, 2015. This is almost exactly at the mid-point of our target range of \$500,000 to \$1,700,000. For the annualized column I projected an over recovery that would leave us at \$1,100,000 at 9/30/2015. Debt service coverage is projected to be a strong 2.88 for the fiscal year.

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 there is not much change from a year ago. The YTD is below budget level but we are breaking rainfall records. Irrigation is down because of rainfall as well. Irrigation and water combined down 1% below budget.

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 explained that residential is down 9% and commercial is down 5%. The drop can be attributed to a 20% drop in degree days. He is working on the forecast and will present in May or June. Mr. Reker responded to questions.

Water/Wastewater Report

Mr. Zusi reported that the City has been doing work on both east and west sides of I-W in preparation for the I-W widening so that when they do their work they will complete the connections as part of joint participation agreement with their contractors. We are in negotiation with Altamonte Springs to clean up the Inter-local agreements that were drafted back in the 80s.

Mr. Zusi reported that the city is preparing to replace the current City software that is used for all aspects of work with a new Enterprise Resource Program. The process will take about a year to complete and currently we are working with a consultant to develop the RFP.

Utility Billing

Ms. Margraf reported the TV screen located in City Hall between the cashiers will be turned on. She reviewed what information would be displayed.

Communications Report

Ms. Howard reported that today was election today and she will have the results this evening. The demolition at 2600 Lee Rd is complete and the property is for sale. She also announced that free

SunRail service will be available during the Winter Park Art Festival weekend. Ms. Howard explained the new City’s Report Card, how it went out, why it went out and when it went out. Ms. Howard responded to questions. Ms. Howard provided details for the 10th Anniversary of the Electric Utility Purchase from the brainstorming session. June 1, 2015 is the first event.

Sustainability Report

Ms. Gulden reported that the Sustainability Action Plan is starting to be discussed throughout the City including various City Boards. She announced that the Earth Day in the Park will take place on April 19 and provided activity details. She will be providing first quarter data Georgetown Energy Prize shortly. For the Energy Conservation Program she provided the following information (October 2014):

- 29 home energy checks
- 16 phone audits
- 2 commercial audits
- Expenditure to Duke Energy \$9,000
- Total expenditures include rebates, \$25,000

Electric Utility Report

Streetlights

Mr. Warren presented the backstory regarding streetlights. Several months ago safety concerns were raised by early morning runners that the lighting on Palmer Ave. was insufficient. He explained that the reasons were the number of streetlights and the tree canopy. The Electric Utility presented three strategies to the Commission to solve the problem on Palmer:

- (1) do minimum trimming around existing lights, add 14 streetlights, \$39,000, least expensive
- (2) add decorative light, \$200,000, most expensive, against City’s decorative light policy.
- (3) remove all streetlights and add new streetlights, not decorative. \$60,000

The Commission decided that those solutions were insufficient and requested another proposal on how decorative lights could be added to all collector or distributor roads. Mr. Warren is making a presentation to the City Commission regarding upgrading the streetlights. He believes the cost will be around \$2.5 million. He explained that he is going to recommend that the lights be added at the same time undergrounding takes place, which will reduce the cost. Discussion ensued but no action is required from the Board at this time.

Linda Lindsey left 1:30

Power Supply

Mr. Warren reported that the new power supply portfolio changed January 1. The change went smoothly except for a few administrative glitches, but no interruptions to power.

| F/A Update January 2015 | January 2015 |
|---------------------------|--------------|
| Beginning Balance | \$1,199,594 |
| Fuel Revenues Collected | \$1,027,300 |
| Fuel Cost Purchased Power | \$1,123,281 |
| Over/(Under) Collected | \$-95,981 |

| | |
|----------------|-------------|
| Ending Balance | \$1,103,613 |
|----------------|-------------|

Mr. Warren reviewed the 2014 Report Card including undergrounding goals, SAIDI goals and rate goal. He clarified that the rate goal is to be no more than 5% greater than the state average, not just Duke.

| | WPE January | Duke January | Difference | |
|-----------------------|--------------|--------------|----------------|---------------|
| | | | \$ | % |
| Base Bill | \$74.20 | \$81.39 | +\$7.19 | +9.7% |
| Fuel Adjustment | <u>31.49</u> | <u>40.77</u> | <u>+\$9.28</u> | <u>+29.5%</u> |
| Base Electric Bill * | \$105.69 | \$122.16 | \$16.47 | +15.6% |
| Franchise Fee & Taxes | \$18.25 | \$20.55 | \$2.30 | +12.6% |
| Total Electric Bill | \$123.94 | \$142.71 | \$18.77 | +15.14% |

Rate Comparison Discussion:

Issues

- Monthly vs annual
 - WPE F/A quarterly
 - IOUs are calendar year
- Franchise Fees
 - IOUs pay them, Cities typically don't
 - When comparing WPE to IOUs don't need to include franchise fees
 - FMEA state average info for munis does include franchise fees for WPE and KUA

Suggested Approach

- 12 month rolling WPE including franchise fees
- 12 month rolling Duke including franchise fees
- 12 month state averages (as appropriate including franchise fees)

MAIFI Discussion

- MAIFI is the average number of momentary outages experienced by an average customer in a year
- In the preparation of the City Report Card recently mailed out to the citizens, I noticed at the last minute that MAIFI number was incorrect and expressed in minutes therefore, MAIFI was not reported.
- Many MAIFI issues
 - Measured only at the substation breaker does not include field installed reclosers.

- Multiple trip recloses not counted if it is for the same incident (i.e. less than five minutes)
- How do we do it?
 - Accurate count for our customers?
 - As per industry standard?
 - Maintain two sets of books?
- MAIFI Math
 - Two incident on two feeders with 1,000 customers each is 2,000 customer momentaries
 - Total number of customers = 14,000
 - Average rate = $2000 / 14,000 = .14$ per customer average
 - Annual arithmetic average = .14 or rounded off = 0
 - MAIFI is supposed to be the rate over a year. If you have .14 per month = 1.71 per year.

Fairbanks Update

- Duke –Winter Park distribution agreement – Duke has incorporated Winter Park comments and returned draft to Winter Park for approval and/or final comments.
- Duke final review of Winter Park 100% design is under way.
- FDOT has incorporated /accepted Winter Park’s final comments. JPA approved by the City Attorney
- Duke’s JPA with FDOT not complete
- Duke is drafting a Winter Park – Duke transmission Agreement
- Winter Park will need to review that agreement in conjunction with the Duke-Winter Park distribution agreement.

Dr. Smith presented an alternative for the runners to use when running. The City would provide runners with an LED light that would attach to their hats.

Action Items

- Dr. Phillips Performing Arts Donation breakdown.
- IT opinion on Google Fiber
- Policy discussion on donation from Utility funds.

ADJOURNMENT

Chair Johnson adjourned the meeting at 2:00 p.m. Next regular meeting date is April 14, 2015.

Respectfully submitted,

Debbie Wilkerson

| Debbie Wilkerson, Recording Secretary

Appv’d 4/14/15