

**CITY OF WINTER PARK
UTILITIES ADVISORY BOARD**

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

**April 14, 2015
12:00 pm**

MINUTES

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

Absent: Dan Swanson

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; Parsram Rajaram, IT Manager; Gary Heller, Water/Wastewater; Delsia Margraf, Utility Services Manager; Kris Stenger, Building & Sustainability Manager, Abby Gulden, Sustainability and Permitting Coordinator; Debbie Wilkerson, Recording Secretary

Guests:

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

ADMINISTRATIVE ITEMS

Approval of Minutes:

Ms. Lindsey moved to approve minutes from the March 10, 2015, regular meeting as presented, seconded by Mr. Reker motion carried 8-0.

Mr. Warren introduced Parsram Rajaram, IT Manager.

Citizen Comments:

None

NEW BUSINESS

No items

ACTION ITEMS

Dr. Phillips Funding

Mr. Hamil provided the breakdown of funding for outside organization funding. He reported that during this fiscal year the City is contributing \$257,000 to five organizations. The following is the break down by source:

Water and Sewer Fund	24%
General Fund	34%
Electric Fund	44%

Mr. Hamil responded to questions. After discussion the Board agreed to draft a policy statement that reflects the Board position on using money from utility funds for City expenditures. Chm Johnson will create a draft of the policy for the Board's review.

Google Fiber

Dr. Smith reiterated the Google fiber discussion from the March meeting and explained his interest in bringing Google Fiber to Winter Park. Mr. Rajaram commented that the City partnered with the City of Orlando about three years ago and was not selected for Google Fiber. He suggested that by incorporating more cities in the application Google may be more interested. Mr. Rajaram addressed fiber in the City stating that fiber is currently being installed with the electric undergrounding but

only for private connections for the City. He explained that the challenge with undergrounding fiber with the electric is the depth of the fiber cable that is shallower than electric lines. Mr. Rajaram covered internet options for the City including installing conduit so it is ready for a provider, rent conduit to a provider or the City becomes an internet provider. The Board discussed installation and maintenance costs of underground fiber, the possibility of a third party funding the undergrounding, the value of fiber to every house, steps to move forward, including addressing fiber thru the Visioning process. Mr. Warren volunteered himself and Mr. Rajaram to meet with the Visioning staff person and have a conversation about adding fiber to the process.

REPORTS

Financial Report

Mr. Hamil reviewed the February 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 \$673,275 and debt service coverage is projected to be a strong 1.98 for the fiscal year.

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 \$595,000 for the first five months of FY 2015. The balance in the fuel cost stabilization fund was about \$1,161,901 as of February 28, 2015. This is almost exactly at the mid-point of our target range of \$500,000 to \$1,700,000. The bottom line for the first five months reflects \$166,058 being added to working capital. Debt service coverage is projected to be a strong 2.84 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. Rainfall is down from last month. Mr. Zusi commented that some large meters have reached the end of their life and need to be replaced that could account for some of the decrease in revenue. Residential irrigation is stable while commercial is down 18%.

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 up 6.9% and commercial is down 4.2%. Degree days went up significantly. Mr. Reker reviewed some details of the 2016 forecast but will present a complete forecast in June. Mr. Reker responded to questions.

Water/Wastewater Report

Mr. Zusi reported that the City is working with FDOT regarding how it views the crossing and changes the City will be making under I-4. If FDOT views it as betterment and we are responsible for it financially it could be a huge impact to the budget. If they view it as replacement of outdated material or a conflict resolution then they will reimburse us. There is a meeting scheduled for tomorrow to discuss. Mr. Zusi responded to questions.

Electric Utility Report

Fuel Cost Recovery

Mr. Warren updated the board on fuel cost recovery. He explained the impact of OUC's forecasting only once a year and the need for a "true up" each month to correct it. He also explained that he is doing something different with our fuel adjustment charge. Instead of updating it every quarter automatically, we will implement a fixed fuel adjustment rate for the period April – September. We

will continue to monitor fuel cost recovery on a monthly/quarterly basis. If required, adjustments can be made,

F/A Update March 2015	March 2015
Beginning Balance	\$1,188,986
Fuel Revenues Collected	\$1,099,437
Fuel Cost Purchased Power	\$1,143,924
Over/(Under) Collected	\$-44,487
Ending Balance	\$1,144,499
Target Balance Min	\$5000,000
Target Balance Max	\$1,700,000
Target Balance Mid-Point	\$1,100,000

F/A April-September 2015 (Change in fuel adjustment charge from quarterly to annually)

Jan-March (\$/1,000kWh)	\$35.39
Estimated fuel Cost (12 months)	\$15,649,828
Estimated Retail Sales (gWh) (12 months)	425,009
Estimated Fuel Cost Recovery Factor (\$/kWh)	\$36.82
Change in average Fuel Adjustment (\$/kWh)	+\$1.43

Rate Comparison w/Duke Energy, 1,000 kWh Residential Customer

	WPE April-Sept	Duke April-Sept	Difference	
			\$	%
Base Bill	\$74.20	\$81.39	+\$7.19	+9.7%
Fuel Adjustment	<u>32.92</u>	<u>40.77</u>	<u>+\$7.85</u>	<u>+23.8%</u>
Base Electric Bill	\$107.12	\$122.16	\$15.04	+14.0%
Franchise Fee & Taxes	\$18.39	\$20.55	\$2.16	+10.5%
Total Electric Bill	\$125.51	\$142.71	\$17.20	+12.1%

12 months Ending February (rates)				
City of Winter Park	Muni Avg	IOU Avg	State Avg	City of Winter Park %State Avg
\$117.25	\$120.88	\$126.21	\$121.70	96.3%

Mr. Warren provided an update on the vehicle charging stations in the City after 3 full years of operations, including number of uses since installation, average kWh used, average hours, wholesale power cost to date, greenhouse gas avoided and the gallons of gas saved. He also provided graphs showing total uses for all stations and uses per station.

Fairbanks Update

- Draft, Winter Park, FDOT tri-party agreement complete, we are reviewing. He hopes to take it to the Commission by the first meeting in June.

Mr. Warren commented that there is a chart that shows there is a correlation between residential consumption and degree days however when you try to do the same with commercial it doesn't work. He decided to plot commercial consumption vs degree days through time and found something interesting. The chart shows what seems to be four increasing and decreasing cycles since the beginning of the City's electric department. There was a definite decline during the 2008 recession. The graph shows a current decline in consumption per degree-day (fourth cycle). Mr. Warren wonders if that is an indicator of slowing economic recovery. The Winter Park Electric team is evaluating.

Utility Billing

Ms. Margraf reported everything is going well.

Communications Report

Ms. Howard reported Mr. Warren and Mr. Knight were interviewed for the next issue of Relay magazine on undergrounding. The interview went very well.

The Update for June, July August will include an article from Mr. Knight outlining our successes since the electric utility purchase in 2005.

Ms. Howard provided an update on the 10th Anniversary Celebration. She explained that due to weather concerns the event will move from Central Park to the Civic Center. The date, June 1, will remain the same. Invitees will include past UAB members and those involved in supporting the purchase, refreshments will be provided and a program on our successes. The decorations will follow the theme of electricity. A public celebration will take place at the June 8, Commission meeting where the public will be invited to join in a proclamation and enjoy cake. The Board agreed with the plans.

Sustainability Report

Ms. Gulden invited the Board to join the Earth Day Celebration April 19, in Central Park. She reported that there will be an electric car show. She introduced for discussion changes to the Duke Energy Conservation Program that the City of Winter Park participates in. She outlined the changes and suggested viable options to the City's rebate program including renegotiate with Duke Energy, go out to bid for auditors, aligning with OUC or bring it in-house. Discussion ensued. The Board

consensus was it supports the conservation program and would like Ms. Gulden to pursue options and come back to the May meeting with a recommendation.

Action Items

- Recommendation for Conservation Program.

ADJOURNMENT

Chair Johnson adjourned the meeting at 1:57 p.m. Next regular meeting date is May 12, 2015.

Respectfully submitted,

Debbie Wilkerson

| Debbie Wilkerson, Recording Secretary
Appv'd May 12, 2015