

**CITY OF WINTER PARK
UTILITIES ADVISORY BOARD**

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

**February 24, 2016
12:00 p**

MINUTES

Present: Katherine Johnson (Chair), Jennifer Lyons, Rick Baldocchi, Richard James (Vice chair), Tara Tedrow, Lawrie Platt Hall, Hugh James, Cheryl Forney

Absent: Barbara Devane

City of Winter Park Staff: Troy Attaway, Director, Public Works; David Zusi, Director, Water/Wastewater; Clarissa Howard, Director, Communications; Wes Hamil, Finance Director; Dan D'Alessandro, Electric Utility Operations Manager; Terry Hotard, Asst. Electric Utility Director; Abby Gulden, Sustainability Coordinator; Debbie Wilkerson, Recording Secretary

Guests: none

Call to Order.

Chm Johnson called the February 24, 2016, Utility Advisory Board meeting to order at 12:02 p.m.

ADMINISTRATIVE ITEMS

Approval of Minutes:

Chairman Johnson asked for approval of the minutes from the January 27, 2016, regular meeting. Mr. H. James moved to approve as presented, seconded by Ms. Forney. Motion carried unanimously 8-0.

Citizen Comments:

None

NEW BUSINESS

ACTION ITEMS

Removal of Septic Tanks in Winter Park

Mr. Zusi reiterated the City Commission request to provide a report on the possibility of eliminating all septic tanks in the City and provided a PowerPoint presentation on septic tanks that included locations in service area, locations in city limits, environmental impact, estimated cost to eliminate septic tanks within Winter Park city limits and recommendations. Mr. Zusi responded to questions. After Board discussion Ms. Lyons moved to recommend that the City require residents to connect to the sewer, if available, when the same triggers (*substantial renovation shall be renovation and/or additions whose building permit value exceeds 30 percent of the value of the existing improvements on the most current property tax roll published by the Orange County Property Appraiser*) are met that require homeowners to underground their electric service, seconded by Ms. Platt Hall. Motion carried 8-0.

Proposed Florida Solar Constitutional Amendment

As requested by the Board, staff researched the proposed amendment. Mr. Hotard presented a PowerPoint presentation that included information on the two groups, Floridians for Solar Choice, and Consumers for Smart Solar that have proposed amendments. He provided information on the groups and the differences in their proposed amendments. He also covered Winter Park Electric solar options and solar installations. Mr. Hotard responded to questions. No action was taken.

Financial Report

Mr. Hamil reviewed the December financial report for the water and sewer fund and the electric fund.

Water/Sewer Fund

The bottom line reflects a positive \$481,684 and debt service coverage is projected to be a strong 2.07 for the fiscal year.

Electric Services Fund

Electric kWh sales for the first quarter of the fiscal year are ahead of forecast. We over recovered on fuel costs by about \$400,000 for the first quarter. Fuel cost recovery rates were reduced November 1 and again on February 1 in an effort to return some of that to the customers. Our target for the fiscal year is to bring the balance of the fuel cost stabilization fund to about \$1,500,000. This will involve an under recovery for the fiscal 2016 of about \$200,000. This is build into the FY'16 Annualized column of the report.

Crews working on undergrounding were scaled back in the last few months of FY 2015 as we had been getting ahead of budget. Spending on undergrounding will pick up the next few months.

The bottom line for the first quarter of \$1,028,009 is higher than anticipated for the fiscal year as we plan to under recover on fuel costs and more is invested in undergrounding. Debt service coverage is forecast at 2.56.

Electric Utility Report

Mr. Attaway said that an article was included in the City Update that explained the reasons for bringing the electric utility workforce in house.

Fuel Adjustment

Mr. Attaway reviewed the fuel adjustment.

F/A Update January 2016	
Beginning Balance	\$2,155,272
Fuel Revenues Collected	\$1,057,668
Fuel Cost Purchased Power	\$1,097,496
Over/(Under) Collected	(\$39,828)
Ending Balance	\$2,115,444
Balance Max (FY 2016)*	\$1,600,000
Target Minimum Balance	\$500,000

*Max permitted per F/A tariff is 10% of annual fuel budget rounded up to the next \$100k.

- Fuel adjustment was reduced by \$2.72/1,000 kWh effective Feb 1 to reduce fuel cost recovery balance.
- FPL and OUC on January bills trued-up December's fuel cost (retroactively reduced) by ~\$93K
- Continued softening in natural gas prices is lowering our fuel cost below the estimates previously provided by our suppliers.

Mr. Attaway presented the residential bill comparison graph compiled by FMEA.

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

	WPE February 2016	Duke Feb 2016*	Difference	
			\$	%
Base Bill	\$75.80	\$77.77	\$1.978	2.6%
Fuel Adjustment	<u>28.14</u>	<u>33.53</u>	<u>+\$5.39</u>	<u>+19.2%</u>
Base Electric Bill	\$103.94	\$111.30	\$7.36	+7.1%
Franchise Fee & Taxes	\$18.25	\$19.15	\$.90	+4.9%
Total Electric Bill	\$122.19	\$130.45	\$8.26	+6.8%

Recent Duke news release says it has requested the FPSC to reduce rates \$5.83 for a 1,000kWh residential customer effective April 1. The reduction is mostly due to lower natural gas prices.

Rate Comparison 1,000 kWh Residential Customer 12 month rolling

City of Winter Park	Muni Avg	IOU Avg	State Avg	City of Winter Park % State Avg
\$113.68	\$117.72	\$128.94	\$119.45	94.62%

Note: December is the latest data available for Muni and IOU averages. Above rate information does not include Florida Cooperatives which is not published.

January Sales Results

Customer Class	Jan 2016 vs Jan 2015	3 mo's ending Jan 2016 vs 3 mo's ending Jan 2015	12 mo's ending Jan 2016 vs. 12 mo's ending Jan 2015
Residential	-1.69%	+5.05%	+5.28%
Commercial	+9.61%	+9.46%	+2.74%
Streetlights	2.71%	.86%	-.16%
Total	+4.55%	+7.55%	+3.79%

Mr. D'Alessandro updated the Board on the transition away from ENCO. He explained that 4-6 linemen will be hired to work for the City. He clarified that some contractors will still need to be utilized for undergrounding and he has confirmed that the current contractors are available. Changes in schedules for linemen will provide 7 day coverage until 8:00 pm for residents and pro-active repair of streetlights. The new electric warehouse is almost complete with a warehouse manager in place.

Mr. D'Alessandro reviewed undergrounding projects and a new process to determine how projects are scheduled. The new process will improve efficiency, reduce cost and provide for increased reliability. Mr. D'Alessandro responded to a question, explaining how the utility deals with Osprey nests.

Communications Report

Ms. Howard reminded the Board that the city offers Coffee Talks, an opportunity for residents to interact with city management and elected officials. She announced the following events

Fairbanks Undergrounding Open House will be March 24, 2016, 4:30 6:30 p.m. at the Civic Center.

Electric transition from ENCO to City will be covered in the next City Update

Spring Clean-up in May 5 & 6

Hazardous Waste Drop Off April 16

Golf Course closing for renovation March 1.

Elections for City Commissioners and the library bond referendum will be held March 15.

Ms. Gulden announced that the energy audit back log is cleared up and she is reviewing the two selected contactors for services vs cost at this time. She reported that the quotes for energy kits were high, so she contacted Miller's Hardware and they provided all items at cost. Currently there is about \$20,000 left in the conservation budget

Action Items

ADJOURNMENT

Chair Johnson adjourned the meeting at 1:25 p.m. Next regular meeting date is March 23, 2016.

Respectfully submitted,

Debbie Wilkerson

Debbie Wilkerson, Recording Secretary

Appv'd 3/23/16