

**CITY OF WINTER PARK  
UTILITIES ADVISORY BOARD**

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

**June 22, 2016**  
**12:00 pm**

**MINUTES**

---

**Present:** Jennifer Lyons, Richard James (Vice chair), Tara Tedrow, Rick Baldocchi

**Absent:** Cheryl Forney, Lawrie Platt Hall, David Gevorgyan ,

**City of Winter Park Staff:** Troy Attaway, Director, Public Works; Wes Hamil, Director, Finance; Dan D'Alessandro, Electric Utility Operations Manager; Terry Hotard, Asst. Electric Utility Director; Abby Gulden, Sustainability Coordinator; Linda Antonion, Staff Assistant; Debbie Wilkerson, Recording Secretary

**Guests:** None

**Call to Order.**

Vice Chair James called the June 22, 2016, Utility Advisory Board meeting to order at 12:15 p.m.

**ADMINISTRATIVE ITEMS**

***Election of Chairman and Vice-Chairman:***

Ms. Lyons nominated Dr. Dick James for the position of Chairman, seconded by Mr. Baldocchi, motion carried unanimously by a vote of 5-0. Dr. James nominated Mr. Rick Baldocchi for the position of Vice Chairman, seconded by Ms. Lyons, motion carried unanimously by a vote of 5-0.

Approval of Minutes:

Chair James asked for approval of the minutes from the May 25, 2016, regular meeting. Motion by Ms. Tedrow, seconded by Mr. Baldocchi to approve as presented, motion carried unanimously.

Citizen Comments:

None

Board Training

Chair James reminded the Board to RSVP for the Advisory Board and Committee Effectiveness training scheduled for Wednesday, June 29, 2016. Mr. Attaway spoke to the value of the training and encouraged all members to attend.

**NEW BUSINESS**

After Action Report – Tropical Storm Colin

Mr. D'Alessandro reported that Tropical Storm Colin was not as impactful as anticipated. He stated that the electric team and subcontractors responded well. He is working on improving communication on outages with the Call Center and developing a more detailed storm response plan. Mr. D'Alessandro introduced, Linda Antonion, the new electric staff assistant. Mr. D'Alessandro responded to questions.

**ACTION ITEMS**

Update of Sewer Policy

Mr. Zusi was absent, update postponed to next meeting.

## REPORTS

### Financial Report

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

#### Water/Sewer Fund

The bottom line reflects a positive \$1,076,962 and debt service coverage is projected to be a strong 1.77 for the fiscal year.

#### Electric Services Fund

Electric kWh sales for the first quarter of the fiscal year are ahead of forecast by 2%. Our fuel over-recovery for the first seven months of the fiscal year is about \$617,000. Fuel cost recovery rates were reduced November 1 and again on February 1, in an effort to return some of that to the customers. We expect to be at break even on fuel for the fiscal year and will adjust rates as necessary to aim at that target.

The bottom line for the first seven months is \$120,367. Note that our cash position decreased by about \$2,250,000 since last month's report. The single biggest reason for this is bond interest paid April 1, 2016. This was about \$1,250,000. The remaining difference is simply the timing of payments from customers and our paying vendors and employees. Savings from our reorganization will help improve the cash position over the remainder of the fiscal year and hopefully bring it close to zero. Debt service coverage is forecast at 2.39. Mr. Hamil responded to questions.

Mr. Hamil commented that the City is currently working on putting together its 2017 budget. Mr. Knight, City Manager, will present the budget to the City Commission at the first July meeting. No rate increase is proposed. The Board discussed upcoming projects coming on line in the near future. Mr. Hamil explained the process for purchasing electric service area at Ravaduage from Duke Energy.

#### **Water/Wastewater**

None

#### **Electric Utility Report**

##### **Fuel Adjustment Update**

Mr. Attaway reviewed the Fuel Cost Recovery

F/A Update May 2016	
Beginning Balance (April 30, 2016)	\$2,270,240
Fuel Revenues Collected (May)	\$1,085,636
Fuel Cost Purchased Power (May) est	\$1,267,870
Over/(Under) Collected	(\$182,234)
Ending Balance	\$2,088,006

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

- May under-recovery based on initial bill = -\$182,234. Fuel costs should increase June-September (natural gas prices are moving back up.) If June-September under-recovery is > than \$182k/mo, balance September 30 should be < \$1.4 million which is less than \$1.6 million max allowed.

- June - September fuel costs are expected to be higher than the 12 mo. average fuel cost estimate used for the current fuel adjustment. (i.e. under-recovery expected)
- We are moving in the right direction.

Fuel Cost Recovery	
Fuel Cost Originally Invoiced for April	\$1,108,156
Fuel Revenues Collected (April)	\$1,009,817
Over/(Under) Collected	(\$98,339)
April Fuel Cost (trued up with May Invoice)	\$1,020,433
Retail Fuel Revenues Collected	\$1,009,817
Over/(Under) Collected	(\$10,616)

#### F/A Update

FY 2016 Month	Orig. Fuel Bill \$/MWh	Final (trued – up) \$/MWh	Difference in \$
October	33.49	33.26	(\$8,414)
November	33.92	32.43	(\$50,139)
December	33.48	30.75	(\$92,747)
January	32.96	30.78	(\$42,717)
February	33.33	31.50	(\$55,663)
March	33.26	30.31	(\$96,096)
April	33.26	30.62	(\$87,723)
6-Month Total			(\$433,503)

#### F/A Update

- For the 7 months ending April, declining natural gas prices have resulted in true-ups from our suppliers reducing fuel costs \$433,503 below estimates previously provided.
- Natural gas prices have stopped declining and are rising which will reduce/eliminate negative true-ups.
- Fuel Costs in the summer are normally above 12 month averages.
- Taken together, we should reach a balance below our \$1.6 million max by fiscal year end.
- If June results suggest otherwise, we will adjust.

Mr. Attaway reviewed the Residential Bill Comparison, March 2016 for all municipal owner utilities and with Duke Energy.

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

April 2016	WPE May 2016	Duke May 2016*	Difference	
			\$	%
Base Bill	\$75.80	\$78.82	\$3.02	4.0%
Fuel Adjustment	<u>28.14</u>	<u>26.79</u>	<u>-1.35</u>	<u>+4.8%</u>
Base Electric Bill	\$103.94	\$105.61	\$1.67	+1.6%
Franchise Fee & Taxes	\$18.25	\$18.71	\$.46	+2.5%
Total Electric Bill	\$122.19	\$124.32	\$2.13	+1.74%

### 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
\$112.73	\$115.29	\$127.37	\$117.15	96.22%

Note:

- April is the latest data available for Muni and IOU averages.
- Above rate information does not include Florida electric cooperatives which is not published.
- Winter Park rates are well below City's objective to not exceed state averages by more than 5%

### May Sales Results

Customer Class	April 2016 Vs. April 2015	3 mo's ending April 2016 vs. 3 mo's ending April 2015	12 mo's ending April 2016 vs. 12 mo's ending April 2015
Residential	-8.27%	-6.32%	+2.95%
Commercial	-3.28%	-.70%	+3.19%
Streetlights	+1.81%	+1.57%	+.72%
Total	-5.40%	-3.09%	+3.07%

### Key Observations

- Declines in May Sales (residential and commercial) are most certainly due to decline in heating and cooling degree days for April-May i.e. (2015 HDD+CDD=803; 2016 = 737 = -8.2%)
- Historically multi-month declines in HDD+CDD on a 12 month rolling basis have tended to precede sale declines.
- Still on track to exceed FY 2016 sales forecast included in budget.

Mr. D'Alessandro updated the Board on the continuing challenges with the Fairbanks project, on the change to planning undergrounding projects using the quarterpoint method, and 2026 as the completion date for undergrounding to be complete. Mr. D'Alessandro responded to questions.

**Sustainability Report**

Ms. Gulden updated the Board on the Conservation Program explaining the complete backlog of audits has been cleared and currently there is \$10,166 left of the original \$50,000 budget. The same amount has been included in the 2017 budget. She spoke about changes she is hoping to make in the program in the upcoming year. Ms. Gulden responded to questions.

**Action Items**

- Sewer Policy

**ADJOURNMENT**

Chair James adjourned the meeting at 1:11 p.m. Next regular meeting date is July 27, 2016.

Respectfully submitted,

Debbie Wilkerson, Recording Secretary  
Appv'd 7/27/16