

**CITY OF WINTER PARK
UTILITIES ADVISORY BOARD**

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

**July 27, 2016
12:00 pm**

MINUTES

Present: Lawrie Platt Hall, Jennifer Lyons, Richard James (chair), Rick Baldocchi (vice chair), David Gevorgyan (telephone), Hugh James

Absent: Cheryl Forney, Tara Tedrow

City of Winter Park Staff: Troy Attaway, Director, Public Works; Wes Hamil, Director, Finance; Dori Stone, Director, Planning/Economic Development; Dan D'Alessandro, Electric Utility Operations Manager; Terry Hotard, Asst. Electric Utility Director; Kyle Dudgeon, Manager, Economic Development/CRA; Allison McGillis, Planner I, Planning; Abby Gulden, Sustainability Coordinator; Debbie Wilkerson, Recording Secretary

Guests: Carolyn Cooper, City Commissioner

Call to Order.

Chair R. James called the July 27, 2016, Utility Advisory Board meeting to order at 12:00 p.m.

ADMINISTRATIVE ITEMS

Approval of Minutes:

Chair R. James asked for approval of the minutes from the June 22, 2016, regular meeting. Motion by Mr. Baldocchi, seconded by Ms. Lyons to approve as presented, motion carried unanimously.

Citizen Comments: None

NEW BUSINESS

Comprehensive Plan Public Facilities

Kyle Dudgeon, Manager, Economic Development/CRA, presented and provided an overview of the proposed changes to the 2016 Comprehensive Plan – Public Facilities. He explained that Public Facilities Element is one of nine which combine to form the city's Comprehensive Plan. Discussion ensued regarding aspects of the element including additional electric utility information, level of detail and level of service. Mr. Dudgeon responded to questions regarding the Plan and suggested changes. Mr. Dudgeon confirmed that comments would be accepted after the meeting. The Board agreed to continue discussion/input at the August 24, 2016 meeting. A revised plan containing suggested revisions in a matrix form will be provided prior to the August meeting. Chair R. James recommended that the Board take time to review the document already provided prior to the August meeting.

Marty Sullivan - 901 Georgia Ave., presented his suggested changes to the Public Facilities Element.

Objectives for Up Coming Year

Chair R. James introduced for discussion objectives for the coming year. He shared potential objectives including looking at policy vs operations, undergrounding strategies, incentives to replace septic tanks, electric service policy, updating the strategic plan, electric utility 101 (overview of electric operations), field trips to water and electric facilities, outage management, solar planning, supplier

contracts and simplifying financial statements.

Mr. H. James expressed concerned regarding the financial health of the electric utility and the impact of the funds in the fuel cost recovery fund had on financial reporting. The Board added additional objectives including reclaimed water alternative and providing residents with access to other utilities such as cable and internet.

Chair R. James suggested forming a subcommittee to review and simplify the monthly financial statements. Lawrie Platt Hall and Hugh James volunteered to meet with Mr. Hamil to discuss revising the financial report. Ms. Antonion will coordinate the meeting.

ACTION ITEMS

Update of Sewer Policy

Mr. Zusi updated the Board on challenges with getting all parties necessary together to review the policy, but hopes to present a policy at the next meeting.

REPORTS

Financial Report

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

Water/Sewer Fund

The bottom line reflects a positive \$1,347,507 and debt service coverage is projected to be a strong 1.89 for the fiscal year.

Electric Services Fund

Electric kWh sales are ahead of forecast by 2%. Our fuel over-recovery for the first nine months of the fiscal year is about \$400,000. Fuel cost recovery rates were reduced November 1 and again on February 1, in an effort to return some of that to the customers. The June 30 financial report was prepared assuming we will break even for the fiscal year.

The bottom line for the first none months is \$409,343. It appears we are on track to spend approximately \$2,500,000 on undergrounding for the fiscal year. Undergrounding was scaled back in the last few months of FY 2015 to avoid overspending in a more significant manner. The first several months of FY 2016 continued at that level. It should be noted staff still anticipates undergrounding at least 5 miles of overhead power lines. Between this and savings from our reorganization we are optimistic our fiscal year end cash position will be close to zero. Debt service coverage is forecast at 2.34

Mr. Hamil commented that the City is currently reviewing its 2017 proposed budget and outlined the approval process. Currently no rate increase is proposed.

Water/Wastewater

None

Electric Utility Report

Fuel Adjustment Update

Mr. Attaway reviewed the Fuel Cost Recovery

F/A Update June 2016	
Beginning Balance (May 31, 2016)	\$2,186,132
Fuel Revenues Collected (June)	\$1,240,716
Fuel Cost Purchased Power (June) est	\$1,361,952
Over/(Under) Collected	(\$121,236)
Ending Balance	\$2,064,896

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

- June under-recovery based on initial bill = -\$121,236. Fuel costs should increase June-September (natural gas prices are moving back up.) If June-September under-recovery is in \$150/mo, balance September 30 should be close to the \$1.6 million max allowed.
- With increasing natural gas prices, there is a reasonable chance we will end up below target.

Key Observations

- Watching Fuel Cost Recovery, very closely. If we get a downward true-up in June's actual fuel cost and July's under-recovery does not increase we will need to adjust the F/A.

Residential Bill Comparison

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

Rate Comparison w/Duke Energy, 1,000 kWh Residential Customer June 2016

	WPE June 2016	Duke June 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%

The FPSC approved a mid-year reduction in Duke Energy rates 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
\$112.45	\$114.83	\$126.99	\$116.70	96.36%

Note:

- May 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	June 2016 Vs. June 2015	3 mo’s ending June 2016 vs. 3 mo’s ending June 2015	12 mo’s ending June 2016 vs. 12 mo’s ending June 2015
Residential	-1.18%	-4.54%	+2.28%
Commercial	-2.14%	-2.66%	+2.95%
Streetlights	+1.75%	+1.72%	+0.98%
Total	-1.69%	-3.45%	+2.65%

Declines in HDD+CDD

Mr. Attaway reviewed a graph which shows the recent 6 month flattening/declining HDD+CDD is probably a blip and not a trend back toward “normal.”

Key Observations

- Slight declines in June Sales (residential and commercial) are a little unexpected. Cooling degree days for May- June i.e. (2015 =923; 2016 = 989 = +7.2%)
- **The high correlation between sales and HDD+CDD has always been done on a 12 month rolling basis.**
- Because Sales occur over a two month period, our month to month analysis oversimplifies. For the three month period April-June CDD decreased 3.7%.
- Still on track to exceed FY 2016 sales forecast included in budget.

Mr. D’Alessandro updated the Board on the causes of recent power outages, explaining that both were unusual and not within the utility’s control.

Sustainability Report

Ms. Gulden updated the Board on the current activities including energy monitoring of city facilities. Auditors continue to respond to requests for energy audits. The same amount, \$50,000, has been included in the 2017 budget. She spoke about some minor changes she is hoping to make in the program in the upcoming year, but that the program will remain essentially the same.

Action Items

- Sewer Policy
- Comprehensive Plan
- Financial Subcommittee Report

ADJOURNMENT

Chair R. James adjourned the meeting at 1:36 p.m. Next regular meeting date is August 24, 2016.

Respectfully submitted,

Debbie Wilkerson, Recording Secretary
Appv'd - August 24, 2016