

**CITY OF WINTER PARK
UTILITIES ADVISORY BOARD**

Regular Meeting
500 N. Virginia Ave
Public Safety Community Room

March 22, 2017
12:00 pm

MINUTES

Present: Richard James (Chair)
Rick Baldocchi
Hugh James
Jennifer Lyons
Lawrie Platt Hall
Tara Tedrow

Absent: None

City of Winter Park Staff: Troy Attaway, Director of Public Works
Abby Gulden, Sustainability Coordinator
Kris Stenger, Asst. Director Building & Permitting
Wes Hamil, Director of Finance
Jason Riegler, Asst. Director of Water & Wastewater Utility
Terry Hotard, Asst. Director Electric Utility
Dan D' Alessandro, Operations Manager Electric Utility
Linda Antonion, Recording Secretary

GUESTS: None

CALL TO ORDER:

Chair Richard James called the March 22, 2017 Utilities Advisory Board meeting to order at 12:05 p.m.

ADMINISTRATIVE ITEMS:

Chair called for the approval of the minutes from the February 22, 2017 regular meeting. Motion was made, seconded and approved, unanimously.

NEW BUSINESS:

Solar feasibility study to be provided by Public Work Director; Troy Attaway, with his report (see other items discussed).

OTHER ITEMS DISCUSSED:

Financial Director Wes Hamil presented the Financials report and responded to questions. Water was doing well with sales and the revenues were good. The Investment earnings were affected by interest rates. Electric has a possible shortfall unless the summer is very hot. Residential sales are down 16.25% in February 2017 from previous February with approximately the same number of accounts. This appears to be due to the mild weather. Current HDD/CDD graph shows currently in a cyclical decline. Commercial sales have been declining since March 2016 while the number of accounts has been increasing. This may be due to economic stress. If the softening of the natural gas prices continues; current fuel charge may not be low enough to reach target; a rate increase is not expected to be needed until October 1.

Troy Attaway offered a strategy regarding Electric's expected budget shortfall. He proposed not making any rate changes now but continue to assess each month until August. Staff will take a hard look at any expenses that can be minimized. Undergrounding will proceed at the current \$3.5M pace. If it turns out later in the fiscal year that we have a deficit, the amount will be made up using fuel charge over recovered funds.

There was discussion regarding what would be the public's understanding of a base rate increase versus a fuel cost increase, as the cost of the transmission lines does not vary. It was suggested that communication to the rate payers begin now to explain that the base rate covers the "service provided" as well as the kilowatt-hours. Where undergrounding is concerned; the goal is to spend \$3.5 million and continue on. The question of the financial expectations of the bond holders was raised and Wes Hamil responded that the rates had to generate revenues of 1.25 times the cost of debt service. Additional discussion centered on when would be the best time to request the increase. Should a rate increase be done now instead of next year? Both Wes and Troy feel that a rate increase should be presented to the Commissioners during the "budget season" for next year when Staff has collected all necessary data.

Chair requested any news from the Water Department. Work continued on I-4 and other projects. Denning Drive is slated for a partial water main upgrade during the summer when the lane change will occur.

Chair addressed Troy Attaway who reviewed the fuel costs; and the rates versus the other electric utility providers. Troy then addressed the action item of Solar feasibility by presenting a report from Jerry Warren, detailing 5 acres to acquire a mega-watt, how many mega-watts are needed (estimated at 10MW), the inherent costs, including distribution costs, cost of acreage, etc. for the City of Winter Park to consider their own solar supply; or to have a third party build out and manage the solar at an average cost of \$.06. Wes mentioned that City of Winter Park pays \$.055 but the \$.06 solar rate would be locked in long term. The cost of getting the power from a City owned/operated "solar farm" would be more than twice what it would cost to acquire the same amount of power from FP&L. This would increase the power supply cost for the City by 2.6 to 3.3% because it would not reduce the peak power transmission costs. Also the 10 megawatts produced actually only yields 17% versus the 10 megawatts bought equaling 10 megawatts 24/7, 365.

Kris Stenger was asked to provide more information. He referred to a website ([ID#474 - What the Community Solar Customer Wants](#)) that reviewed what customers want regarding solar power as well as providing information on OUC's approach to solar power. Troy asked if the Board wanted to approach OUC for a joint solar power project. A discussion regarding solar power options and its' disadvantages/advantages for the electric customers followed. Several Board members asked for more information regarding the solar options. Chair requested an action item to approach OUC on the subject.

Chair addressed Dan D'Alessandro next regarding the Electric Department's operations. He responded that he expects to reach the \$3.5 million undergrounding budget by the end of the year. An update on Fairbanks was requested next. It is no longer necessary to go over the I-4 ramp to continue the undergrounding. The September/October time frame is expected for the Duke joint project on Fairbanks. There are more meetings to occur with the interested parties. The project hinges on the anticipated costs that are still to be disclosed by Duke and there are several troubling areas regarding the agreement. Chair asked if the Commissioners are aware of the situation. Troy Attaway responded that several are but he's not sure if all are.

Chair mentioned that the sustainability coordinator had already left so there was no report, then asked if the Board had anything further. Troy Attaway asked to be advised if anyone had any candidates to fill the two empty Board positions.

FURTHER ACTION: OUC to be approached regarding joint Solar Power options.

MEETING ADJOURNED:

The Chair adjourned the meeting at 01:27 p.m.

R. L. James, PhD