

**CITY OF WINTER PARK  
UTILITIES ADVISORY BOARD**

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

**May 24, 2017  
12:00 pm**

**MINUTES**

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

**Absent:** Rick Baldocchi

**City of Winter Park Staff:** Randy Knight, City Manager  
Michelle Neuner, Asst. City Manager  
Carolyn Cooper, City Commissioner  
Troy Attaway, Director of Public Works  
Wes Hamil, Director of Finance  
Peter Moore, Manager Budget & Performance Measurement  
Kris Stenger, Asst. Director Building & Permitting  
David Zusi, Director of Water and Wastewater Utility  
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:** Paul Conway, John Miles

**CALL TO ORDER:**

Chair Richard James called the May 24th, 2017 Utilities Advisory Board meeting to order at 12:03 p.m.

**ADMINISTRATIVE ITEMS:**

Chair called for the approval of the minutes from the April 26, 2017 regular meeting. Motion was made, seconded and approved, unanimously.

**NEW BUSINESS:**

Chair addressed David Zusi for the increases in Fees for the Water/Wastewater additional services (not consumption rates) caused by increases in material, payroll, etc. costs. The fee

changes will affect both commercial and residential. The Board is to review the fee list that was passed around, and advise if there are any issues with it, at the next meeting.

Chair moved the discussion to the October 1<sup>st</sup> proposed increase in the electric base rate and suggested future annual indexing. Peter Moore presented a series of slides outlining the reason for the requested increase including:

- Loss of revenue due to less demand (both residential and commercial)
- Expiration of the bond subsidy that assisted with the undergrounding project
- Increases in the supplier rates for the bulk power that have not been passed on to the customers for several years and will be increasing yet again
- Increases in operating costs
- Need for a cash reserve of 45 days as preferred by the bond rating agencies

The objective would be to shift more of the revenue to the fixed part of the bill but decrease it on the first thousand kilowatts to residential customers and raise it at above the 1,000 kilowatt usage. Average residential customers would see a 4-6% change to their bill while commercial customers would see a 4-7% change to their bill. These changes would put the rates at near the state rates but still less than Duke's. Currently the rate is 3.7% below Florida Muni, 13.6% less than Florida IOU, 5.4% less than the State average, 9.9% less than Duke, and only slightly higher than OUC. Traditionally the level of service has been high (no one else is also undergrounding) while being cheaper to the end user. The rate proposal would fund a 420 kilowatt year including continuing with the undergrounding.

Troy Attaway added that the infrastructure has to be maintained regardless of electric usage and that last year nearly a million dollars in supplier costs were absorbed and not passed onto the customers. Previous years' costs spent all of the budget and allowed for no cash reserve. This budget would also not allow for a cash reserve.

Randy Knight stated that the lack of liquidity within the Electric Utility affected the bond rating and can impact the interest rates for refinancing. They would like to accumulate a 300 to 500,000 cash reserve each year until they reach the cash balance preferred. The current base rate structure does not match the expense side and the proposal is to begin to fix this. The undergrounding also ultimately provides savings and more reliability. Paying off the bonds that were used to initially buy the electric system will save money as there is still a 5 million dollar debt service being paid off.

Hugh James asked what the timeline would be for the presentation of the proposal. Peter Moore responded that the Board could vote now or take some more time to think about it as the budget would be presented to the City Commissioners on July 10<sup>th</sup>. Any changes could be made at the next Advisory board meeting on June 28<sup>th</sup> but while they may not make the July 10<sup>th</sup> deadline they would be incorporated into the Electric Utility rate work session.

Troy Attaway clarified that the budget is presented by Randy Knight on July 10<sup>th</sup> but the budget discussions with the City Commissioners would go on from the then until September's first

meeting. The Commission doesn't actually vote on the budget until the second Monday in September and their second vote would occur on the fourth Monday in September.

The Board discussed the best manner in which to present the proposal with several members requesting specific points be used in it, especially the rate comparisons and having reduced costs by reducing expenditures.

Tara Tedrow asked if the Board was being asked to approve the rate increase or the presentation proposal. Randy Knight responded that they would like the Board's recommendation to the Commission on the rate increase and welcomed their input on the proposal.

The question of the time of the Board's voting was then discussed; whether or not to adjust the increase to obtain the cash balance and what % change it would take to accomplish that. The reserves and the indexing were agreed to be desirable by the Board.

Peter Moore summarized that the Board was asking for them to forecast based on lower end estimates of KWH usage and add to the cash reserves, maintain the 3.5 million undergrounding budget, and consider an index. Lawrie Platt Hall motioned what Peter Moore summarized, Jennifer Lyons seconded. Chairman Richard James called for the vote and it was approved unanimously.

## **OTHER ITEMS DISCUSSED**

Chair next addressed the Fiber Optic installation. Peter Moore advised that he and Parsram Rajaram, the Director of the I.T. Department, are liaisons to the Fiber Optic Task Force and that a fair amount of the centrally located City facilities have been done and they were beginning to look at the outskirts. Part of the next budget is hopefully to connect the water plants. They've been considering a Fiber Optic backbone for the City but the options are complex. They need to build the backbone and cover the Rights of Way before approaching some of the future possibilities. Also included were discussions that the Task Force held as to whether or not it should be city owned or to bring in other providers. They believe having a fiber optic backbone to be advantageous to the city. The Micro cellular towers that support Wi Fi require fiber optic.

Discussions followed regarding the Cable providers attitude towards the City having their own fiber network, as well as Spectrum's lack of promptness in removing the poles that only have cable still attached to them.

Chair requested the consumptive use report. David Zusi replied that he would wait until the next month because the drought conditions have led to abnormally high flows. Chair then asked if there was a Water/Wastewater report. The response was that Water was continuing to prepare for the re-use goals and were budgeting appropriately for the system modification.

Chair addressed Dan D'Alessandro regarding the Cable company attachment rights. Troy Attaway responded that several questions were put to the Attorney and he would expect to have more information at the next meeting.

Chris Stenger offered a quick sustainability report. St. Petersburg and Atlanta, 57 cities in all, have signed renewables agreements and Orlando may be following suit. The Sustainability Board has asked if the City should consider it and he suggested that the Utility Board also keep the idea in mind. 6 new vehicle charging stations are being bought and will be put out in to the city. Dan D'Alessandro requested more information on the renewable agreements regarding how they were accomplishing it since some of them were Duke Energy customers.

**FURTHER ACTION:**

Board members to advise if they have any issues with the fee increases for the Water/Wastewater Utility.

Clarification of Cable Companies rights as relates to the installation and removal of poles.  
Water/Wastewater Department Consumptive Use Report.

**MEETING ADJOURNED:**

The meeting was adjourned at 1:26 p.m.

A handwritten signature in blue ink that reads "R. James, PhD". The signature is written in a cursive style with a large, stylized initial "R".