

**CITY OF WINTER PARK
UTILITIES ADVISORY BOARD**

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

**July 26, 2017
12:00 pm**

MINUTES

Present: Richard James (Chair)
Rick Baldocchi
Hugh James
Jennifer Lyons
Jack Miles
Paul Conway
Karim Arja

Absent: Lawrie Platt Hall

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

GUESTS: John Kern

CALL TO ORDER:

Chair Richard James called the July 26, 2017 Utilities Advisory Board meeting to order at 12:02 p.m.

ADMINISTRATIVE ITEMS:

Chair requested the board to review the previous month's minutes. The minutes were approved unanimously.

NEW BUSINESS: Chair requested Citizen Comments. John Kern, Winter Park resident introduced himself and presented the problem of several long power outages in the Roundelay Lane neighborhood. He then asked several questions regarding the current service to which Dan D'Alessandro, Director of the Electric Utility, responded including steps that have been taken to correct issues in the future. Dan D'Alessandro also offered to take a look at the area's situation and potentially move the Roundelay area into a near-term undergrounding project. He will also

formalize the major storm plan and make it available to the public. Troy Attaway added information about the 2004 hurricane season and the steps that had been taken since to improve reliability of the electrical system. Mr. Kern's address and phone number were taken for further contact regarding the issues he had presented.

Jack Miles asked if there are figures available regarding reliability. Dan D'Alessandro offered to bring them to the next meeting.

Chairman Richard James said he had planned to bring up the subject of the July 4th outages for discussion. He requested an action item for the next meeting regarding the reliability statistics and a long term action item for the storm plan to be reviewed. The City wide storm response plan that is organized and led by the Fire Chief was mentioned.

OTHER ITEMS DISCUSSED

Chair next requested an update from Kris Stenger regarding OUC's solar update but the information will not be available until August. Kris Stenger did provide the allotted budget and a plan to install solar at some city locations. He added that 6 new vehicle charging stations are being set up for installation at City parks and that the City was getting an electric vehicle. He noted that the City's charging stations do not require payment for usage.

Hugh James stated that he felt that the City of Winter Park should not be seen as lagging in the solar issue. To which Dan D'Alessandro mentioned that at the recent Florida Municipal Electric Association meeting there were several solar presentations and they had set up meetings to see what ideas they had.

Karim Arja asked Kris Stenger what the utilization figures are for the existing charging stations. He replied that there are records regarding them but he didn't know them off the top of his head but could run reports to provide them.

David Zusi was next. Consumptive use has started to decrease; he would provide details at the next meeting.

The discussion moved to the financial reports prepared by Wes Hamil. Water/Wastewater continues to have good revenues and are still ahead of last year and the budget. This may be due to the drought conditions earlier this year.

Electric's sales have improved a bit versus the prior month. Fuel has been under recovered so fuel recovery charge was increased June 1st with a goal of breaking even for the remainder of the current fiscal year. Wes Hamil's report contained an explanation of the factors that were causing impacts to the Electric Services bottom-line. Debt service coverage is still strong.

Hugh James requested clarification of the transmission costs. These costs are paid to FP&L and Duke Energy. It is expected that FP&L and Duke Energy may have done a true-up in May which would have increased these costs. Wes Hamil said he would research the costs and advise.

Wes presented additional slides detailing the breakdown of residential electric usage (which was requested by a Commissioner). Paul Conway asked if the residential detail was requested in the context of the possibility of tiered rates. Wes Hamil explained that Water has 6 tiers and Electric has only 2 similar to what Duke Energy does. He believed the request was to show what customers would be impacted the most by the proposed change to the rates. Wes Hamil added that the increase would be largely to the base charge but there would be a small decrease in the rate for the first 1,000 kWh. Rick Baldocchi asked if there was a break-even point to which Wes Hamil replied that everyone would have some increase, in the order of about \$4.00 to \$5.00. He said he would provide the table that showed the levels of the increases. Jack Miles asked about the Commission's reaction to the proposed electric rate increase. Troy Attaway explained the reasons for the increase that were presented to the Commission. The Board members believe that an indexed rate would be the best approach for the future, although at this time, the Commission does not support indexed rates.

There were further discussions regarding the electric service's financial report. Consensus is that average residential use of electric has declined while the cost of supplying the service has not, hence the need for an increase in rates.

Troy Attaway and Dan D'Alessandro both updated the board about the renewing bulk power contracts and the outlook for prices that might actually lower the costs. Rick Baldocchi described the decision by the City of Maitland not to purchase their electric system ten years ago and how much better Winter Park's service and rates are in comparison.

Chair next addressed Dan D'Alessandro who presented the electric utility report. He described the fuel adjustment rate variation in his report as well as the fact that the electric rates were still well below what Duke charges. Also that the rates compared to other municipals were good and below what had been promised when the Electric Utility was taken over. Winter Park's rates are lower than the muni average, the IOU average, and the State average, while doing what they providing what the other utilities are not by undergrounding the system. Average system (sales) usage is still anticipated to be lower than budgeted for the rest of the fiscal year and though the cost of buying less power is lower, it does not make up the cost difference.

Several board members mention that they would like to see a comparison of commercial users, especially where properties were rebuilt, likely with more efficient systems, as presented for residential users. Wes said he could provide this report.

The undergrounding proceeds as planned. Project E is completed regarding the electric lines however the cable lines have not been installed by Spectrum. Spectrum has said they are stepping up their removal of the cable lines from our power poles. Dan D'Alessandro has arranged a monthly meeting with a Spectrum representative to review their progress. Project F is in the works and Project G will begin in 2018. Also being attended to are the areas that are having outage issues, some because of old undergrounding.

Rick Baldocchi brought up the subject of the pole attachment agreement with Spectrum and he believes it should be re-negotiated in 2018. He also questioned if they were pulling permits. Dan D'Alessandro said it was something he would be looking at. Vacate notices for the poles have not been issued in the past but these would now be formally issued to Spectrum. However, currently the pole agreement does not provide contractual leverage to drive pole removal.

The Fairbanks/Duke project is still slated to begin in January.

Kris Stenger was asked for any sustainability report but had nothing further to add.

The Chair next requested any update regarding the Fiber Optic network. David Zusi mentioned that the Commission discussed it at the last meeting and there was more information that was to be supplied for the budget regarding connecting the City facilities. Dan D'Alessandro added that fiber pipe was being put in whenever possible and pipe that had been put in already was being used to save money. He segued into the microcellular bill that had recently been passed by the Governor, and the discussion he had with the lawyers regarding it.

FURTHER ACTION: Provide electric service reliability data; consumptive usage report; commercial users' electrical report, and charging station statistics.

MEETING ADJOURNED:

The meeting was adjourned at 1:44 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".