

**CITY OF WINTER PARK
UTILITIES ADVISORY BOARD**

**Regular Meeting
October 30, 2019
12:00 p.m.
500 N. Virginia Ave
Public Safety Community Room**

MINUTES

Present: Paul Conway (Vice-Chair)
Karim Arja
Richard James
Lawrie Platt Hall
Jennifer W. Lyons
Tate Scott

Absent: Jack Miles (Chair) - present by phone

City of Winter Park Staff: Dan D'Alessandro, Director of Electric Utility
Justin Isler, Operations Manager Electric Utility
Michael Passarella, Engineer Electric Utility
Wes Hamil, Director of Finance
David Zusi, Director of Water & Wastewater Utility
Jason Riegler, Asst. Dir. of Water & Wastewater Utility
Peter Moore, Division Director, Office of Mgmt. & Budget
Debbie Wilkerson, Acting as Recording Secretary

Guests: Navid Nowakhtar, F.M.P.A. representative
Jerry Warren, Electric Consultant

CALL TO ORDER:

- Meeting called to order at 12:02 pm

ADMINISTRATIVE ITEMS:

- Motion to approve the September minutes with a request to correct Tate Scott's name on page 2, Richard James, seconded by Laurie Platt Hall, unanimous.
- Motion to reschedule the November and December meeting to one meeting on December 11th, Richard James, seconded by Laurie Platt Hall, unanimous.

CITIZEN COMMENTS:

- None

OLD BUSINESS:

- Cost of Service Study solicitation
 - Long discussion regarding the Cost of Service Study solicitation that was released in October.
 - Motion made by Laurie Platt Hall to inform the vendors we are not pursuing the RFQ (request for quotation) subject to an ITN (intent to negotiate) at a later date. The UAB members will provide their questions or goals in the study to be sent to the secretary of the board. Then the UAB members will review those comments at the meeting on December 11th. The motion was seconded by Jack Miles, the motion carried with a 5 to 2 vote. Richard James and Tate Scott voted no.

NEW BUSINESS:

- Dan D'Alessandro
 - Discussed acquisition of additional 10 to 15 megawatts of solar from FMFA in 2023. With the addition of 10 megawatts the capacity of solar will be at 20%.

REPORTS:

- **Sustainability**
 - No report was given.
- **Electric** (presented by Dan D'Alessandro)
 - Presented the monthly Electric Report attached here.
 - Justin Isler provided information regarding outages also attached.
- **Water** (presented by David Zusi)
 - Started preliminary structure to allow the solar project to begin.
 - In the final stages of negotiating contract with the City of Altamonte Springs. We will increase our capacity as well, probably about \$4.5M
 - Identifying a project to design a septic to sewer conversion area by leveraging state grants.
 - Working with Peter Moore on Fiber project, we working with them to identify key areas to get conduit under I-4, railroad tracks, and areas like that.
- **Financial Reports** (presented by Wes Hamil)
 - Presented the monthly Financial Report attached here.

MEETING ADJOURNED:

- Meeting adjourned at 1:55 p.m.



Utilities Advisory Board Monthly Electric Report

**Regular Meeting
October 23, 2019**

Undergrounding Update



Miles of Undergrounding performed

Project G: 4.1 miles (82% complete)

Project H: 2.5 miles (55% Complete)

Denning : .42 miles (Complete)

TOTAL so far for 2020- 0.2 miles completed

FY 2019 Budget Review



Customer Class	Budget Kwh	12 mo Ending August	Pct. Difference
Residential	186,632.0	189,970.5	1.79%
Commercial	236,266.0	233,405.8	-1.21%
Streetlights	<u>2,102.0</u>	<u>2,111.2</u>	<u>0.44%</u>
Total	425,000.0	425,487.5	0.11%

Note: For total kWh sales, actual fiscal year sales exceeded budgeted sales by .11%, commercial sales fell short of budget by 1.21%.

September's Sales Results



Customer Class	Sept. 2019 vs. Sept. 2018	12 mo's ending Sept. 2019 vs. 12 mo's ending Sept. 2018
Residential	+4.36%	+3.95%
Commercial	+5.50%	+1.73%
Streetlights	-1.51%	-0.59%
Total	+4.94%	+2.69%

Duke Energy Rate Compare 1,000 kWh Residential Customer



October 2019 (Reflects Winter Park change 10/1/19 and Duke 9/1/19 rate change)

	WPE	Duke	Difference	
			\$	%
Base Bill	\$83.22	\$88.48	6.80	+6.3%
Fuel Adjustment	<u>24.99</u>	<u>36.98</u>	<u>11.99</u>	<u>+48.0%</u>
Base Electric Bill	\$108.21	\$125.46	\$18.79	+15.9%
Franchise Fee & Taxes	\$19.40	\$21.58	\$2.48	+11.2%
Total Electric Bill	\$125.77	\$147.04	\$21.39	+15.2%

Duke increased its Asset Securitization Factor effective 9-1-19. Winter Park increased its “customer charge” effective 10-1-19.

Rate Comparison 1,000 kWh Residential Customer 12 mo. rolling



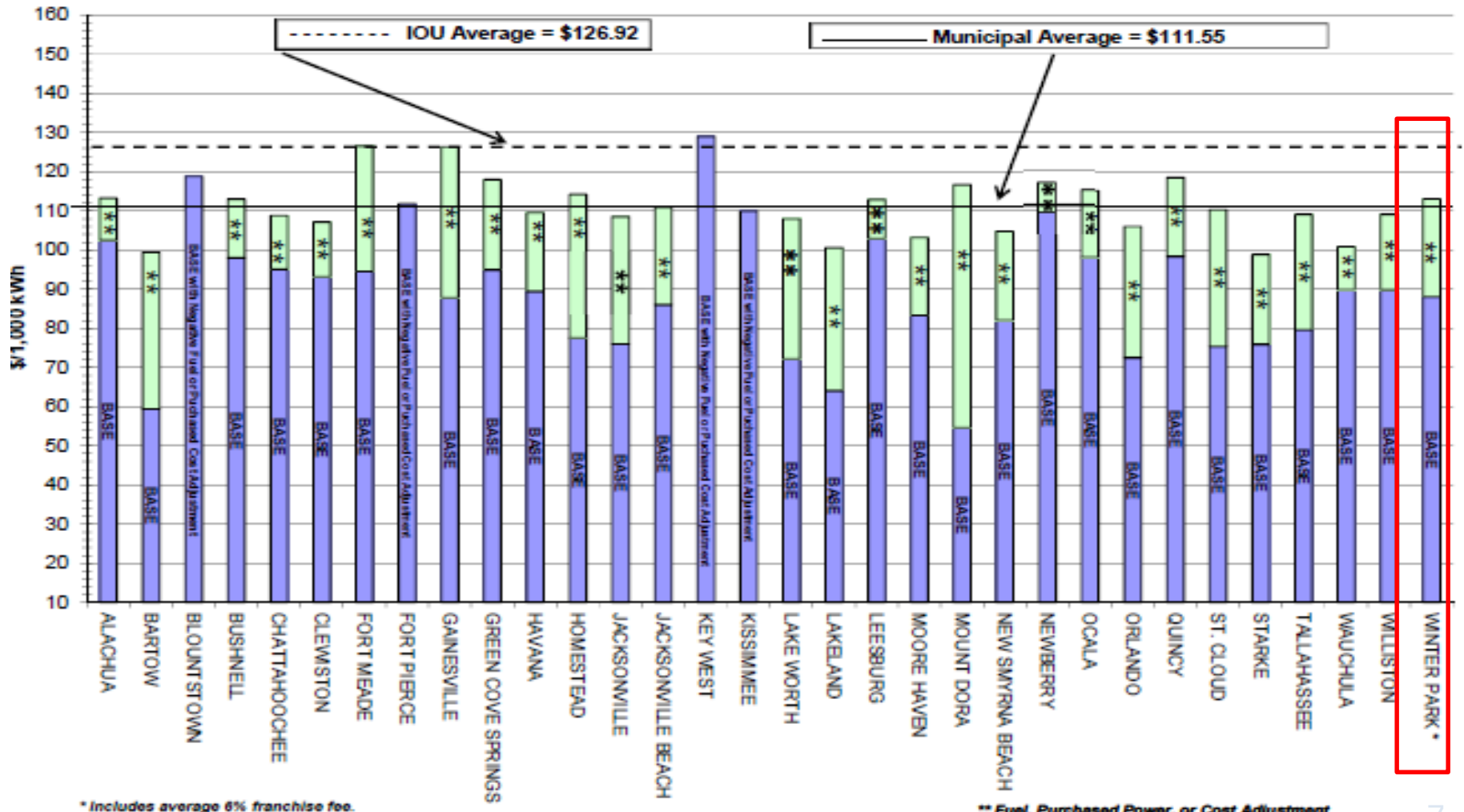
12 Months Ending August				
City of Winter Park	Muni Avg	IOU Avg	State Avg	City of Winter Park % State Avg
\$113.92	\$112.27	\$125.85	\$114.36	99.62%

- August 2019 latest available state information
 - Includes 6% franchise fee, but excludes 10% utility tax and state of Florida gross receipts taxes.
 - Above rate information does not include Florida electric cooperatives which is not published.
- ★ Winter Park rates are 5.38% below the City's objective to not exceed state average by more than 5%.



(1,000 kWh Residential Customer)

Residential Bill Comparison, August 2019



* Includes average 6% franchise fee.

** Fuel, Purchased Power, or Cost Adjustment

F/A Update

September 2019



Fuel Cost Recovery	\$
Beginning Balance August 31, 2019	\$1,130,743
September Fuel Revenues Collected	\$1,262,782
September Fuel Cost Purchased Power (est.)	\$1,113,838
Over/(Under) Collected (est.)	\$148,944
Ending Balance September 30, 2019	\$1,279,687
Calendar Year End Goal	\$1,350,000

True-up fuel cost reductions due to continuing low natural gas prices are helping us move toward our goal. True-ups May-July have increased our balance by \$118k.

Comparison of 12 mo rolling kWh Sales to FY 2019 Budget

kWh (Millions)



September 2019 outage report

Type of outage	QTY	Citizens affected
Vegetation/preventable	7	43
Equipment failure		
Animal related	1	5
Lightning		
Wind	1	24
Unknown	2	68
Public		
Tree/wind	1	10
Total	12	150

Our largest outage this month was due to a fault that occurred behind an MVI (Molded Vacuum Fault Interrupter). The cause was reported as unknown. This piece of equipment covers a large area and is one shot capable only so it can be difficult to pinpoint the location of a small fault that may have cleared because of the fault current. Outages this month averaged .87 hours in length, which is down from last month's 1.78 hours. Total calls dispatched to field was 22.

Financial Report

For the Month of September (100% of fiscal year lapsed) Fiscal Year 2019

Water and Sewer Fund

Water sales in total were 43,682 (1.27%) thousand gallons, ahead of the forecast. Sewer sales were 10,971 (0.58%) thousand gallons short of projected sales.

Operating revenues were \$597,338, (1.92%), short of forecast. We know the reasons and have adjusted the FY 2020 forecast appropriately.

Operating expenses are all in line with budget with the exception of wastewater treated by other entities. About \$215,000 of this projected shortfall is due to additional flows to Altamonte Springs for treatment. The FY 2020 budget was increased to accommodate the greater cost.

The big dollars in Other Capital Spending is mostly for projects such as I-4 Ultimate and Iron Bridget Wastewater Treatment Plant improvements. We had to budget for these because we know they are on the horizon but we do not control the timing. Funding for these comes from reserves and will be unspent money will be carried over to FY 2020.

The bottom line reflects a positive \$472,190 and debt service coverage of 2.20 for the fiscal year, well above the minimum ratio of 1.25.

Electric Services Fund

Our kWh sales exceeded the projected budget by 487,483, a variance of only 0.11%.

Overall, the fiscal year was completed with a positive \$325,866 being added to working capital. Fuel cost recovery came very close to zero for the fiscal year with an overall under recovery of (\$23,879), leaving the end of fiscal year fuel cost stabilization fund balance at \$1,279,687. With two months remaining in the calendar year, the City should end 2019 very close to its 12/31/2019 target of \$1,350,000.

From an income statement and debt service coverage point of view, the City completed the fiscal year in a strong position.

From a cash flow perspective, the picture won't be quite as favorable in the short-term due to the following factors:

1. The City's reimbursement from FEMA and the State for restoring power service following Hurricane Irma will likely not occur until FY 2020. The total amount outstanding is \$755,161.
2. The City has spent \$1,333,048 on the Fairbanks Avenue project. \$1,061,353 of this cost has already been billed to FDOT and was reimbursed in early October. Billing for the remainder of the FY 2019 costs will occur as all the necessary documentation becomes available.
3. The City made a payment to Duke Energy for \$531,221 in July as required by its agreement related to purchasing service territory in Ravadauge. This will reduce cash in the short-term but position the City to benefit from customers in this area for the future.

WINTER PARK WATER AND WASTEWATER METRICS
September 30, 2019
UNAUDITED - NOT FINAL

	FY 2019 YTD				FY 2018 YTD	
	FY 2019 YTD	FY 2019 Annualized	FY 2019 Budget	Variance from Budget	FY 2018 YTD	FY 2018 in Total
Operating Performance:						
Water and Irrigation Sales (thousands of gallons)						
Sewer - inside city limits	1,017,717	1,017,717	1,015,000	2,717	1,003,058	1,003,058
Sewer - outside city limits	876,312	876,312	890,000	(13,688)	890,927	890,927
Water - inside city limits	1,575,515	1,575,515	1,500,000	75,515	1,542,806	1,542,806
Irrigation - Inside City	598,157	598,157	585,000	13,157	573,574	573,574
Water - outside city limits	1,191,321	1,191,321	1,235,000	(43,679)	1,202,479	1,202,479
Irrigation - Outside City	113,690	113,690	115,000	(1,310)	112,162	112,162
Total	5,372,711	5,372,711	5,340,000	32,711	5,325,006	5,325,006

Operating revenues:						
Sewer - inside city limits	\$ 6,628,392	\$ 6,628,392	\$ 6,660,987	\$ (32,595)	6,597,283	6,597,283
Sewer - outside city limits	6,956,395	6,956,395	7,159,291	(202,896)	7,053,427	7,053,427
Water - inside city limits	9,382,124	9,382,124	9,694,542	(312,418)	9,071,477	9,071,477
Water - outside city limits	5,758,655	5,758,655	6,004,353	(245,698)	5,765,475	5,765,475
Other operating revenues	1,774,269	1,774,269	1,578,000	196,269	1,783,058	1,783,058
Total operating revenues	30,499,835	30,499,835	31,097,173	(597,338)	30,270,720	30,270,720
Operating expenses:						
General and adminstration	1,951,338	1,951,338	2,050,245	98,907	2,139,076	2,139,076
Operations	12,578,130	12,578,130	13,279,642	701,512	11,881,602	11,881,602
Labor costs capitalized	415,000	415,000	400,000	(15,000)	300,133	300,133
Wastewater treatment by other agencies	5,035,512	5,035,512	4,767,099	(268,413)	4,951,839	4,951,839
Total operating expenses	19,979,979	19,979,979	20,496,986	517,007	19,272,650	19,272,650

WINTER PARK WATER AND WASTEWATER METRICS
September 30, 2019
UNAUDITED - NOT FINAL

	FY 2019 YTD				FY 2018 YTD	
	FY 2019 YTD	FY 2019 Annualized	FY 2019 Budget	Variance from Budget	FY 2018 YTD	FY 2018 in Total
Net Operating income	10,519,855	10,519,855	10,600,187	(80,332)	10,998,070	10,998,070
Other sources (uses):						
Investment earnings	438,360	438,360	(10,000)	448,360	(43,054)	(43,054)
Miscellaneous revenue	19,899	19,899	17,000	2,899	12,190	12,190
Transfer to Renewal and Replacement Fund	(2,096,335)	(2,096,335)	(2,060,525)	(35,810)	(867,051)	(867,051)
Transfer to General Fund	(2,446,548)	(2,446,548)	(2,446,548)	-	(2,395,367)	(2,395,367)
Transfer for Organizational Support	(77,354)	(77,354)	(77,354)	(0)	(73,809)	(73,809)
Transfer to Capital Projects Fund	(351,538)	(351,538)	(351,538)	(0)	(157,917)	(157,917)
Transfer to Electric Fund	(188,431)	(188,431)	(188,431)	0	(146,561)	(146,561)
Other Capital Spending	(169,358)	(169,358)	(3,228,087)	3,058,729	-	-
Debt service sinking fund deposits	(5,176,360)	(5,176,360)	(5,418,995)	242,635	(5,634,572)	(5,634,572)
Total other sources (uses)	(10,047,666)	(10,047,666)	(13,764,478)	3,716,812	(9,306,140)	(9,306,140)
Net increase (decrease) in funds	\$ 472,190	\$ 472,190	\$ (3,164,291)	\$ 3,636,481	1,691,929	1,691,929
Debt service coverage		2.20				2.00

WINTER PARK ELECTRIC UTILITY METRICS

September 30, 2019

UNAUDITED - NOT FINAL

	<u>FY'19</u> <u>YTD</u>	<u>FY'19</u> <u>Annualized</u>	<u>FY'19</u> <u>Budget</u>	<u>Variance</u> <u>from</u> <u>Budget</u>	<u>FY'18</u>	<u>FY'17</u>
<u>Technical Performance</u>						
Net Sales (kWh)	425,487,483	425,487,483	425,000,000	487,483	414,329,035	424,821,271
Average Revenue/kWh	0.1100	0.1100				0.1043
Wholesale Power Purchased (kWh)	439,804,052	439,804,052	447,368,421	(7,564,369)	434,246,377	429,845,391
Wholesale Power Cost/kWh	(0.0591)	(0.0591)				(0.0627)
Gross margin	0.0508	0.0508				0.0415
Sold vs. Purchased kWh Ratio	96.74%	96.74%	95.00%		95.41%	98.83%
 <u>Revenues and Expenses Directly Related to Sales of Electricity:</u>						
Electric Sales:						
Customer charges - residential	2,232,225	2,232,225	2,482,314	(250,088)		
Customer charges - commercial and public authority	499,223	499,223	548,363	(49,141)		
Demand charges	2,694,021	2,694,021	2,916,488	(222,467)		
Street Lighting	380,733	380,733	383,100	(2,367)		
Non-Fuel kWh charges	28,358,148	28,358,148	27,850,677	507,471	33,381,040	30,628,559
Fuel	12,623,109	12,623,109	13,560,222	(937,113)	13,739,354	13,663,392
Purchased Power :						
Fuel	(12,616,487)	(12,616,487)	(13,560,222)	943,735	(13,739,354)	(12,619,342)
Non-Fuel	(9,928,071)	(9,928,071)	(9,958,180)	30,109	(10,180,683)	(10,778,312)
Transmission Power Cost	(3,468,020)	(3,468,020)	(3,965,605)	497,585	(3,510,746)	(3,558,875)
Net Revenue from Sales of Electricity	20,774,881	20,774,881	20,257,156	517,725	19,689,611	17,335,422
 <u>Other Operating Income (Expenses):</u>						
Other Operating Revenues	319,801	319,801	325,000	(5,199)	350,997	276,212
General and Administrative Expenses	(1,976,286)	(1,976,286)	(1,822,599)	(153,687)	(1,804,767)	(1,705,609)
Operating Expenses	(5,650,489)	(5,650,489)	(6,229,805)	579,316	(5,616,455)	(7,170,834)
Total Other Operating Income (Expenses)	(7,306,973)	(7,306,973)	(7,727,404)	420,431	(7,070,224)	(8,600,231)
Net Operating Income	13,467,908	13,467,908	12,529,752	938,156	12,619,387	8,735,191

WINTER PARK ELECTRIC UTILITY METRICS

September 30, 2019

UNAUDITED - NOT FINAL

	<u>FY'19</u> <u>YTD</u>	<u>FY'19</u> <u>Annualized</u>	<u>FY'19</u> <u>Budget</u>	<u>Variance</u> <u>from</u> <u>Budget</u>	<u>FY'18</u>	<u>FY'17</u>
Nonoperating Revenues (Expenses):						
Investment Earnings	(165,218)	(165,218)	(25,000)	(140,218)	(34,021)	(35,398)
Principal on Debt	(2,670,000)	(2,670,000)	(2,670,000)	-	(2,530,000)	(2,450,000)
Interest on Debt	(2,218,854)	(2,218,854)	(2,458,230)	239,377	(2,913,548)	(2,995,826)
Miscellaneous Revenue	22,635	22,635	-	22,635	83,427	21,910
Proceeds from Sale of Assets	25,886	25,886	18,000	7,886	32,599	18,592
Contributions in Aid of Construction (CIAC)	479,648	479,648	500,000	(20,352)	789,480	498,577
Residential Underground Conversions	68,245	68,245	100,000	(31,755)	81,158	94,004
Capital (including the costs of improvements paid for by CIAC revenues)	(2,173,298)	(2,173,298)	(1,147,320)	(1,025,978)	(1,678,010)	(1,546,321)
Reimbursement of Fairbanks Distribution Line Costs	1,333,048	1,333,048	3,071,921	(1,738,873)		
Undergrounding Fairbanks Distribution Lines	(1,333,048)	(1,333,048)	(3,071,921)	1,738,873	(1,029)	-
Undergrounding of Power Lines	(3,896,261)	(3,896,261)	(3,931,640)	35,379	(4,429,125)	(3,303,800)
Total Nonoperating Revenues (Expenses)	(10,527,217)	(10,527,217)	(9,614,190)	(913,027)	(10,599,071)	(9,698,262)
Income Before Operating Transfers	2,940,691	2,940,691	2,915,562	25,129	2,020,317	(963,071)
Operating Transfers In/Out:						
Transfers from Water and Sewer Fund	188,431	188,431	188,431	-	146,561	1,151,088
Transfers to General Fund	(2,577,382)	(2,577,382)	(2,634,772)	57,390	(2,557,836)	(2,463,692)
Tranfers for organizational support	(126,258)	(126,258)	(126,258)	-	(120,705)	(118,947)
Tranfers to capital projects	(99,615)	(99,615)	(99,615)	-	(122,500)	(179,771)
Total Operating Transfers	(2,614,825)	(2,614,825)	(2,672,214)	57,390	(2,654,480)	(1,611,322)
Net Change in Working Capital	325,866	325,866	243,348	82,519	(634,164)	(2,574,393)
<u>Other Financial Parameters</u>						
Debt Service Coverage		2.72			2.31	1.72
Fixed Rate Bonds Outstanding	59,560,000				62,185,000	64,685,000
Auction Rate Bonds Outstanding	-				1,000,000	1,030,000
Total Bonds Outstanding	59,560,000				63,185,000	65,715,000
Principal Retired	2,670,000				2,530,000	2,450,000
Cash Balance					(2,377,803)	(324,693)
Current year change in cash balance						

WINTER PARK ELECTRIC UTILITY METRICS**September 30, 2019****UNAUDITED - NOT FINAL**

	FY'19 <u>YTD</u>	FY'19 <u>Annualized</u>	FY'19 <u>Budget</u>	Variance from <u>Budget</u>	<u>FY'18</u>	<u>FY'17</u>
<u>Fuel Cost Stabilization Fund Balance:</u>						
Beginning Balance	1,303,566				1,998,073	2,127,701
Fuel Revenues	12,592,607				13,516,532	13,821,741
Fuel Expenses	<u>(12,616,487)</u>				<u>(14,211,039)</u>	<u>(13,951,369)</u>
Ending Balance	<u>1,279,687</u>				<u>1,303,566</u>	<u>1,998,073</u>
Current year change in fuel stabilization fund	(23,879)				(694,507)	(129,628)

Notes

Fiscal Years run from October to September; FY'19 is 10/1/18 to 9/30/19