



Utilities Advisory Board Minutes

December 11, 2019 at 12:00 p.m.

Public Safety Bldg., Ray Beary Community Room
500 N. Virginia Ave. | Winter Park, Florida

Present

John Miles (Chair), Karim Arja, Paul Conway, Robert Dornbush, Lawrie Platt Hall, Tate Scott

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

Kristopher Stenger, Assistant Director Building & Permitting Services

Vanessa Balta-Cook, Sustainability & Permitting Planner

David Zusi, Director of Water & Wastewater Utility

Jason Riegler, Asst. Director of Water & Wastewater Utility

Peter Moore, Division Director, Office of Mgmt. & Budget

Jennifer Maier, Procurement Manager

Jennifer Kissel Guittard, Analyst

Karen Hood, Recording Secretary

Guest

Todd Weaver, City Commissioner

Absent

Jennifer W. Lyons and Richard James

Meeting called to order

Chairman John Miles called the meeting to order at 12:01 p.m.

Approval of minutes

Tate Scott commented on and requested to change the draft minutes sent out regarding motion made last month, October 30, 2019, 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 minutes reported there was a vote of no by two members, Richard James and Paul Conway. The change should be noted and made the two no votes were Richard James and Tate Scott.

Paul Conway requested adding under the Water Report from David Zusi where he talked about projects to design a septic to sewer conversion, the phrase "by leveraging state grants."

Chmn. John Miles asked for a motion to approve the minutes as amended. Paul Conway moved to approve the minutes as amended and Lawrie Hall seconded. The motion was carried unanimously.

Citizen Comments

None

Old Business

The review of comments from UAB members on the Cost of Service Study. Paul Conway gave everyone a hand out titled "Discussion Framework for Cost of Services" (attached). The handout was read aloud by Paul Conway. After discussion from the members, the UAB Cost of Service Vendor Selection Subcommittee was established to conduct the initial vendor evaluations. The committee members consist of John Miles, Paul Conway, Lawrie Hall Platt, Robert Dornbush, and Wes Hamil.

Jennifer Maier, Manager of Procurement, commented we have the three firms from FMPA that we can piggy back off of. We could bring those firms in and we can talk to each one of them, we need to ask them the same questions, we will need to give them each the same amount of time so we are fair and transparent. If there are vendors that you want to speak with that are outside the three firms that FMPA suggested then we will need to do our own solicitation. Keep in mind we can piggy back whatever FMPA is offering in their contract.

Paul Conway the next step is for the subcommittee to meet and come up with a set of questions. The UAB recording secretary from UAB will also be available for the subcommittee meeting. We will secure a room and send out a meeting notice.

New Business

David Zusi in the last meeting you asked about putting together for Water and Wastewater some information and charts to give idea of what capital projects are going forward. I started working on that, however, it is not complete. We have a couple of good size ones that we are waiting on to see when they will happen and how much they will be. Expect by next meeting to have wrapped up. We are finalizing an agreement with Altamonte Springs. We currently have an agreement with Altamonte Springs to treat sewer water on the west part of our service area. We are amending that agreement and purchasing additional capacity to handle redevelopment potential on Fairbanks corridor and Ravaudage area. It will benefit the city taking some flow out of the trunk lines and this actually brings up capacity. We are trying to address the high growth areas. We are finalizing the terms and specifics, and believe it will be a better agreement for the City. The other thing we are working on is some improvements related to the I-4 corridor and is very difficult to get with SGL and the DOT. We have been working with them for almost 10 years on some of the work, but once we start the project they are not in a hurry and there is not much coordination. I will have some things for the board that I think are informative.

David Zusi said he would like to see the UAB discuss a tiered impact fee for extremely large residences. Perhaps they pay for their impact fee based on potential use based on the fixtures installed. Peter Moore volunteered to take a look at sizes of the homes and do some research. Kris Stenger said if this is something we want to do now is the time because their department was going to do away fixture counts.

Dan D'Alessandro has two updates for Electric. We got a MOT and sat together on Fairbanks. We sat down with DOT, our contractors, our communications and Electric we all said we are good with MOT. Then found out that just because you are with FDOT it does not mean you are with all of FDOT. Then we met with SGL and found out that SGL has an I-4 FDOT that is not partnering with FDOT we met with. They are unsure of our plan of how we are going to use the exit ramp going off I-4 during the construction when we put the wire up and we have to block that lane. It was all approved and SGL said no. The project is going to be delayed by a month because of this. We now need a traffic study; the study is only about a week and half. We were on the schedule to get the study but it going to about a month delay.

The other update is one of residents called complaining about us digging in their yard in project H. Currently, we go out to hang door hangers and talk to residents but we do not talk to every resident. It brought to my attention we should notify residents when we go into an area. Moving forward when we go into an area we are going to have GIS outlines of that are identified and we are going to send them out flyers to be proactive.

A discussion about when the poles will come down and when streetlights will be undergrounded as well.

December 11, 2019
Page 3

Reports

Financial report presented by Wes Hamil (attached here)

Electric presented by Dan D'Alessandro (attached here)

Sustainability presented by Vanessa Balta-Cook (attached here)

Adjournment

Chmn. Miles adjourned the meeting at 1:22 p.m. Next meeting is January 22, 2020

Respectfully Submitted,
Karen Hood
Recording Secretary

Financial Report

For the Month of October (8% of fiscal year lapsed) Fiscal Year 2019

Water and Sewer Fund

Water and sewer revenues for October 2019 are up 3.06% over October 2018. Sales in terms of thousands of gallons were very consistent (468,066 for FY 2020 vs. 469,383 for FY 2019). Rates were increased by 2.36% effective October 1, 2019. If revenues had increased by exactly 2.36%, the result would only be \$17,379 less than actual October 2019 revenues.

Expenses for October are within 1/12th of the annual budget and comparable to October 2018.

The bottom line is a positive addition of \$482,508.

Electric Services Fund

kWh sales for October 2019 were 39,383,707 which, if extrapolated based on historical trends for the past five years would equate to annual sales of 420,818,419. The FY 2020 forecast for kWh sales is 420,000,000.

The non-fuel purchased power operating expense line shows a projected negative variance for the fiscal year of (\$2,392,723). However, once the new FMPA contract begins in January 2020, this should even out over the remainder of the fiscal year.

Factors contributing to the \$521,968 positive addition to working capital for October include:

1. Customer billings in October are mostly for usage that occurred in September, typically a high usage month. As a result, non-fuel kWh sales dollars were \$366,915 greater than 1/12th of the annual budget. This will taper off as we get into the milder months before ramping back up as we get into summer.
2. The non-fuel cost of purchasing power was \$210,794 greater than 1/12th of the annual budget due to the higher than average usage discussed above as well as costs being higher for the October – December quarter than they will be for January to September under the new FMPA contract.
3. Over recovery of fuel costs of \$60,744. Balance in the fuel cost stabilization fund at 10/31/2019 was \$1,375,945. Target for 12/31/2019 is \$1,350,000.
4. Spending for routine capital for October was \$90,686 less than 1/12th of the annual budget. Capital spending does not occur evenly over the course of the fiscal year and we expect to spend close to the annual budget in this category.
5. Spending for undergrounding power lines is \$99,437 less than 1/12th of the annual budget. We also expect to spend close to the entire \$4,425,000 budget for undergrounding in FY 2020.

Overall, we are expecting FY 2020 to be a good year for bringing the cash balance in the Electric Fund closer to zero. We have a \$940,000 contingency budget and we expect to receive approximately \$800,000 this fiscal year in reimbursement of Hurricane Irma recovery costs.

WINTER PARK WATER AND WASTEWATER METRICS
October 31, 2019

	<u>FY 2020 YTD</u>				<u>FY 2019 YTD</u>	
	<u>FY 2020 YTD</u>	<u>FY 2020 Annualized</u>	<u>FY 2020 Budget</u>	<u>Variance from Budget</u>	<u>FY 2019 YTD</u>	<u>FY 2019 in Total</u>
Operating Performance:						
Water and Irrigation Sales (thousands of gallons)						
Sewer - inside city limits	86,884	1,050,260	1,015,000	35,260	86,339	1,011,909
Sewer - outside city limits	75,024	877,793	890,000	(12,207)	76,693	875,441
Water - inside city limits	140,474	1,730,104	1,500,000	230,104	139,556	1,570,520
Irrigation - Inside City	53,095	672,384	585,000	87,384	53,470	597,526
Water - outside city limits	102,860	1,155,094	1,235,000	(79,906)	104,208	1,191,314
Irrigation - Outside City	9,729	117,927	115,000	2,927	9,117	113,481
Total	468,066	5,603,561	5,340,000	263,561	469,383	5,360,191
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Operating revenues:						
Sewer - inside city limits	\$ 567,936	\$ 6,865,229	\$ 6,853,863	\$ 11,366	556,592	6,578,659
Sewer - outside city limits	603,478	7,060,754	7,187,087	(126,333)	598,891	6,904,201
Water - inside city limits	866,856	10,676,397	9,416,085	1,260,312	830,557	9,311,730
Water - outside city limits	508,307	5,708,177	5,860,424	(152,247)	484,846	5,715,448
Other operating revenues	166,524	1,998,291	1,710,000	288,291	190,950	1,774,573
Total operating revenues	2,713,101	32,308,847	31,027,459	1,281,388	2,661,836	30,284,611
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Operating expenses:						
General and administration	146,422	1,757,068	2,037,150	280,082	117,266	1,935,137
Operations	847,679	13,562,864	13,736,984	174,120	902,473	12,859,869
Labor costs capitalized	33,333	400,000	400,000	0	34,583	415,000
Wastewater treatment by other agencies	452,426	5,429,114	5,429,114	-	397,715	5,114,188
Total operating expenses	1,479,861	21,149,046	21,603,248	454,202	1,452,037	20,324,194
Net Operating income	1,233,241	11,159,802	9,424,211	1,735,591	1,209,799	9,960,418

WINTER PARK WATER AND WASTEWATER METRICS
October 31, 2019

	FY 2020 YTD				FY 2019 YTD	
	FY 2020 YTD	FY 2020 Annualized	FY 2020 Budget	Variance from Budget	FY 2019 YTD	FY 2019 in Total
Other sources (uses):						
Investment earnings	44,673	536,074	58,154	477,920	4,567	446,431
Miscellaneous revenue	979	11,752	12,000	(248)	450	19,899
Transfer to Renewal and Replacement Fund	(135,899)	(1,630,789)	(1,630,789)	0	(171,710)	(2,096,335)
Transfer to General Fund	(212,245)	(2,546,941)	(2,546,941)	0	(203,879)	(2,446,548)
Transfer for Organizational Support	(6,471)	(77,650)	(77,650)	0	(6,446)	(77,354)
Transfer to Capital Projects Fund	(17,292)	(207,500)	(207,500)	(0)	(12,628)	(351,538)
Transfer to Electric Fund	(15,166)	(181,995)	(181,995)	-	(15,703)	(188,431)
Other Capital Spending	(4,028)	(48,334)	-	(48,334)	-	(169,358)
Debt service sinking fund deposits	(405,284)	(4,846,491)	(4,849,490)	2,999	(493,772)	(5,176,360)
Total other sources (uses)	(750,732)	(8,991,873)	(9,424,211)	432,338	(899,121)	(10,039,594)
Net increase (decrease) in funds	\$ 482,508	\$ 2,167,929	\$ -	\$ 2,167,929	310,678	(79,177)
Debt service coverage		2.50				2.09

WINTER PARK ELECTRIC UTILITY METRICS
October 31, 2019

	FY'20	FY'20	FY'20	Variance			
	<u>YTD</u>	<u>Annualized</u>	<u>Budget</u>	from	<u>FY'19</u>	<u>FY'18</u>	<u>FY'17</u>
				<u>Budget</u>			
<u>Technical Performance</u>							
Net Sales (kWh)	39,383,707	420,818,419	420,000,000	818,419	425,487,483	414,329,035	424,821,271
Average Revenue/kWh	0.1094	0.1124			10.98%		0.1043
Wholesale Power Purchased (kWh)	40,233,363	476,240,747	442,105,263	34,135,484	439,804,052	434,246,377	429,845,391
Wholesale Power Cost/kWh	(0.0562)	(0.0563)			(0)		(0.0627)
Gross margin	0.0532	0.0561			5.07%		0.0415
Sold vs. Purchased kWh Ratio	97.89%	88.36%	95.00%		96.74%	95.41%	98.83%
 <u>Revenues and Expenses Directly Related to Sales of Electricity:</u>							
Electric Sales:							
Customer charges - residential	205,373	2,464,470	2,482,314	(17,843)	2,232,225		
Customer charges - commercial and public authority	45,603	547,241	548,363	(1,123)	499,223		
Demand charges	231,137	2,773,648	2,916,488	(142,839)	2,694,021		
Street Lighting	31,419	377,028	383,100	(6,072)	380,733		
Non-Fuel kWh charges	2,645,443	28,266,791	27,342,334	924,457	28,308,084	33,381,040	30,628,559
Fuel	1,149,068	12,875,043	12,156,576	718,467	12,623,109	13,739,354	13,663,392
Purchased Power :							
Fuel	(1,087,698)	(12,875,043)	(12,156,576)	(718,467)	(12,616,487)	(13,739,354)	(12,619,342)
Non-Fuel	(839,110)	(9,932,510)	(7,539,787)	(2,392,723)	(9,916,779)	(10,180,683)	(10,778,312)
Transmission Power Cost	(332,395)	(3,988,740)	(3,357,884)	(630,856)	(3,468,020)	(3,510,746)	(3,558,875)
Net Revenue from Sales of Electricity	2,048,840	20,507,928	22,774,927	(2,266,999)	20,736,109	19,689,611	17,335,422
 <u>Other Operating Income (Expenses):</u>							
Other Operating Revenues	22,004	264,046	346,900	(82,854)	319,801	350,997	276,212
General and Administrative Expenses	(147,088)	(1,765,058)	(1,886,309)	121,251	(2,011,213)	(1,804,767)	(1,705,609)
Operating Expenses	(455,966)	(5,471,593)	(5,964,050)	492,457	(5,721,815)	(5,616,455)	(7,170,834)
Total Other Operating Income (Expenses)	(581,050)	(6,972,605)	(7,503,459)	530,854	(7,413,227)	(7,070,224)	(8,600,231)
Net Operating Income	1,467,789	13,535,323	15,271,468	(1,736,145)	13,322,883	12,619,387	8,735,191

WINTER PARK ELECTRIC UTILITY METRICS
October 31, 2019

	FY'20	FY'20	FY'20	Variance			
	<u>YTD</u>	<u>Annualized</u>	<u>Budget</u>	from	<u>FY'19</u>	<u>FY'18</u>	<u>FY'17</u>
				<u>Budget</u>			
Nonoperating Revenues (Expenses):							
Investment Earnings	(319)	(3,825)	(25,000)	21,175	(386,874)	(34,021)	(35,398)
Principal on Debt	(242,917)	(2,915,000)	(2,915,000)	-	(2,670,000)	(2,530,000)	(2,450,000)
Interest on Debt	(154,502)	(1,854,026)	(1,876,526)	22,500	(2,218,854)	(2,913,548)	(2,995,826)
Miscellaneous Revenue	979	11,752	-	11,752	22,635	83,427	21,910
Proceeds from Sale of Assets	2,731	32,773	25,000	7,773	25,886	32,599	18,592
Contributions in Aid of Construction (CIAC)	31,914	382,968	500,000	(117,032)	479,648	789,480	498,577
Residential Underground Conversions	11,410	136,920	80,000	56,920	68,245	81,158	94,004
Capital (including the costs of improvements paid for by CIAC revenues)	(82,230)	(986,763)	(2,075,000)	1,088,237	(2,174,625)	(1,678,010)	(1,546,321)
Replacement of Substation Transformer	-	-	(1,000,000)	1,000,000			
Reimbursement of Fairbanks Distribution Line Costs	294,060	3,528,719	-	3,528,719	1,333,048		
Undergrounding Fairbanks Distribution Lines	(294,060)	(3,528,719)	-	(3,528,719)	(1,333,048)	(1,029)	-
Undergrounding of Power Lines	(269,313)	(3,231,756)	(4,425,000)	1,193,244	(3,851,032)	(4,429,125)	(3,303,800)
Total Nonoperating Revenues (Expenses)	(702,246)	(8,426,957)	(11,711,526)	3,284,569	(10,704,970)	(10,599,071)	(9,698,262)
Income Before Operating Transfers	765,543	5,108,365	3,559,942	1,548,423	2,617,913	2,020,317	(963,071)
Operating Transfers In/Out:							
Transfers from Water and Sewer Fund	15,166	181,995	181,995	-	188,431	146,561	1,151,088
Transfers to General Fund	(237,433)	(2,536,993)	(2,545,301)	8,308	(2,577,382)	(2,557,836)	(2,463,692)
Transfers for organizational support	(10,267)	(123,198)	(123,198)	-	(126,258)	(120,705)	(118,947)
Transfers to capital projects	(11,042)	(132,500)	(132,500)	-	(99,615)	(122,500)	(179,771)
Total Operating Transfers	(243,575)	(2,610,696)	(2,619,004)	8,308	(2,614,824)	(2,654,480)	(1,611,322)
Net Change in Working Capital	521,968	2,497,669	940,938	1,556,731	3,089	(634,164)	(2,574,393)
Other Financial Parameters							
Debt Service Coverage		2.84			2.65	2.31	1.72
Fixed Rate Bonds Outstanding	55,945,000				56,595,000	62,185,000	64,685,000
Auction Rate Bonds Outstanding	-					1,000,000	1,030,000
Total Bonds Outstanding	55,945,000				56,595,000	63,185,000	65,715,000
Principal Retired						2,530,000	2,450,000
Cash Balance					(3,885,984)	(2,377,803)	(324,693)
Current year change in cash balance					(1,508,181)		

WINTER PARK ELECTRIC UTILITY METRICS
October 31, 2019

	FY'20	FY'20	FY'20	Variance	FY'19	FY'18	FY'17
	<u>YTD</u>	<u>Annualized</u>	<u>Budget</u>	<u>from</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
<u>Fuel Cost Stabilization Fund Balance:</u>							
Beginning Balance	1,315,201					1,998,073	2,127,701
Fuel Revenues	1,148,442					13,516,532	13,821,741
Fuel Expenses	<u>(1,087,698)</u>					<u>(14,211,039)</u>	<u>(13,951,369)</u>
Ending Balance	<u>1,375,945</u>					<u>1,303,566</u>	<u>1,998,073</u>
Current year change in fuel stabilization fund	60,744					(694,507)	(129,628)

Notes

Fiscal Years run from October to September; FY'20 is 10/1/19 to 9/30/20



Utilities Advisory Board Monthly Electric Report

**Regular Meeting
December 11th, 2019**

Undergrounding Update



Miles of Undergrounding performed

Project G: 4.1 miles (82% complete)

Project H: 2.5 miles (75% Complete)

TOTAL so far for 2020- 0.75 miles completed

FY 2020 Budget Review



Customer Class	Budget Kwh	12 mo Ending October	Pct. Difference
Residential	187,842.0	187,736.8	-0.06%
Commercial	230,034.1	230,404.0	0.16%
Streetlights	<u>2,123.9</u>	<u>2,108.7</u>	<u>-0.72%</u>
Total	420,000.0	420,249.4	0.06%

- Sales for the 12 months ending October 2019 exceed sales budgeted for fiscal year 2020 by .06%.
- Much too early to tell much.

October's Sales Results



Customer Class	Oct. 2019 vs. Oct. 2018	12 mo's ending Oct. 2019 vs. 12 mo's ending Oct. 2018
Residential	-11.14%	+0.94%
Commercial	-13.10%	-.54%
Streetlights	-1.44%	-0.72%
Total	-12.14%	+0.11%

- Decreases are largely explained by a 7.63% reduction in cooling degree days for the respective billing periods and a 4.2% reduction in meter reading days.

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



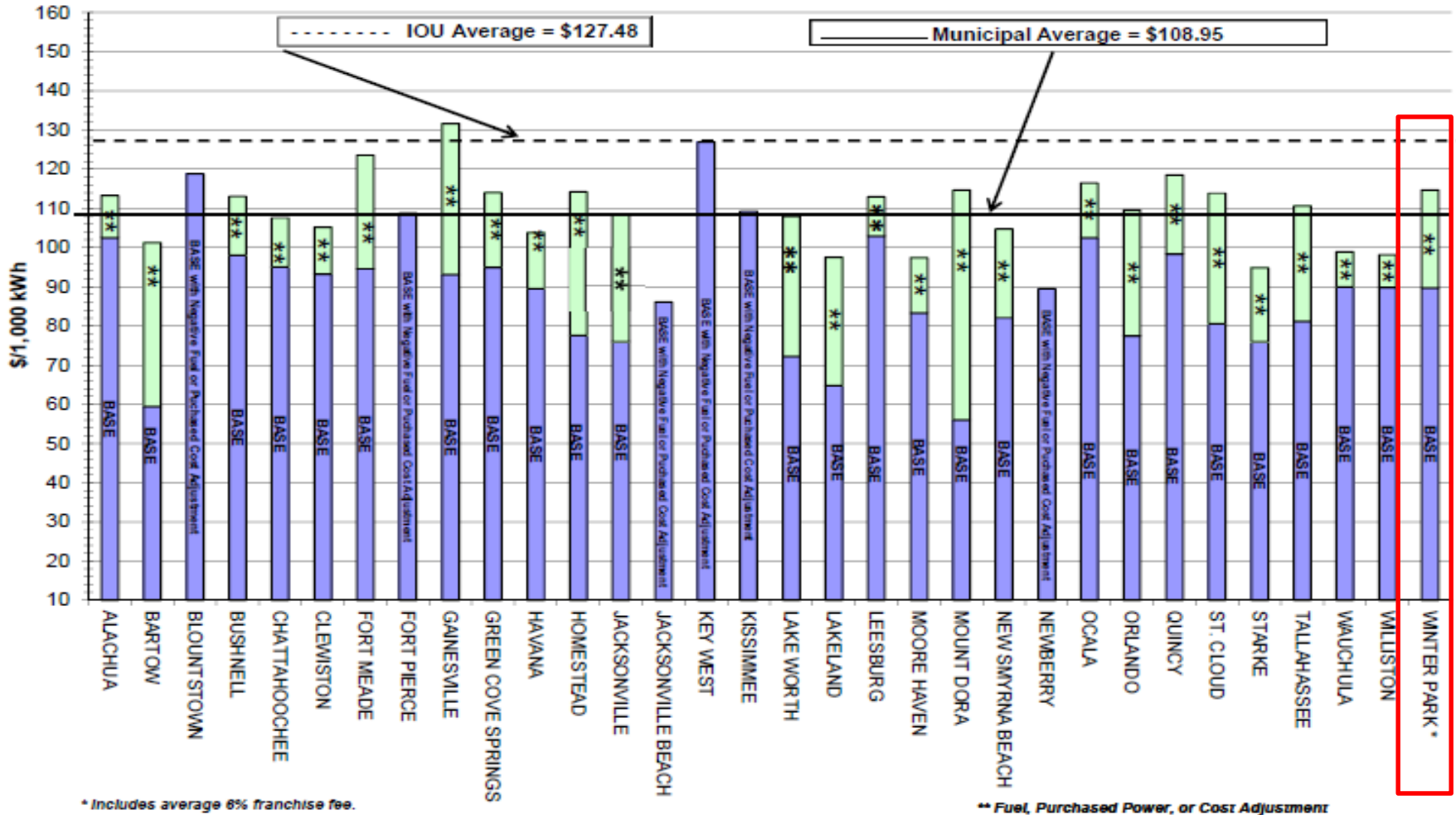
12 Months Ending October				
City of Winter Park	Muni Avg	IOU Avg	State Avg	City of Winter Park % State Avg
\$113.92	\$113.72	\$126.21	\$114.15	99.63%

- October 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 5.37% below the City's objective to not exceed state average by more than 5%.



(1,000 kWh Residential Customer)

Residential Bill Comparison, October 2019



F/A Update

October 2019

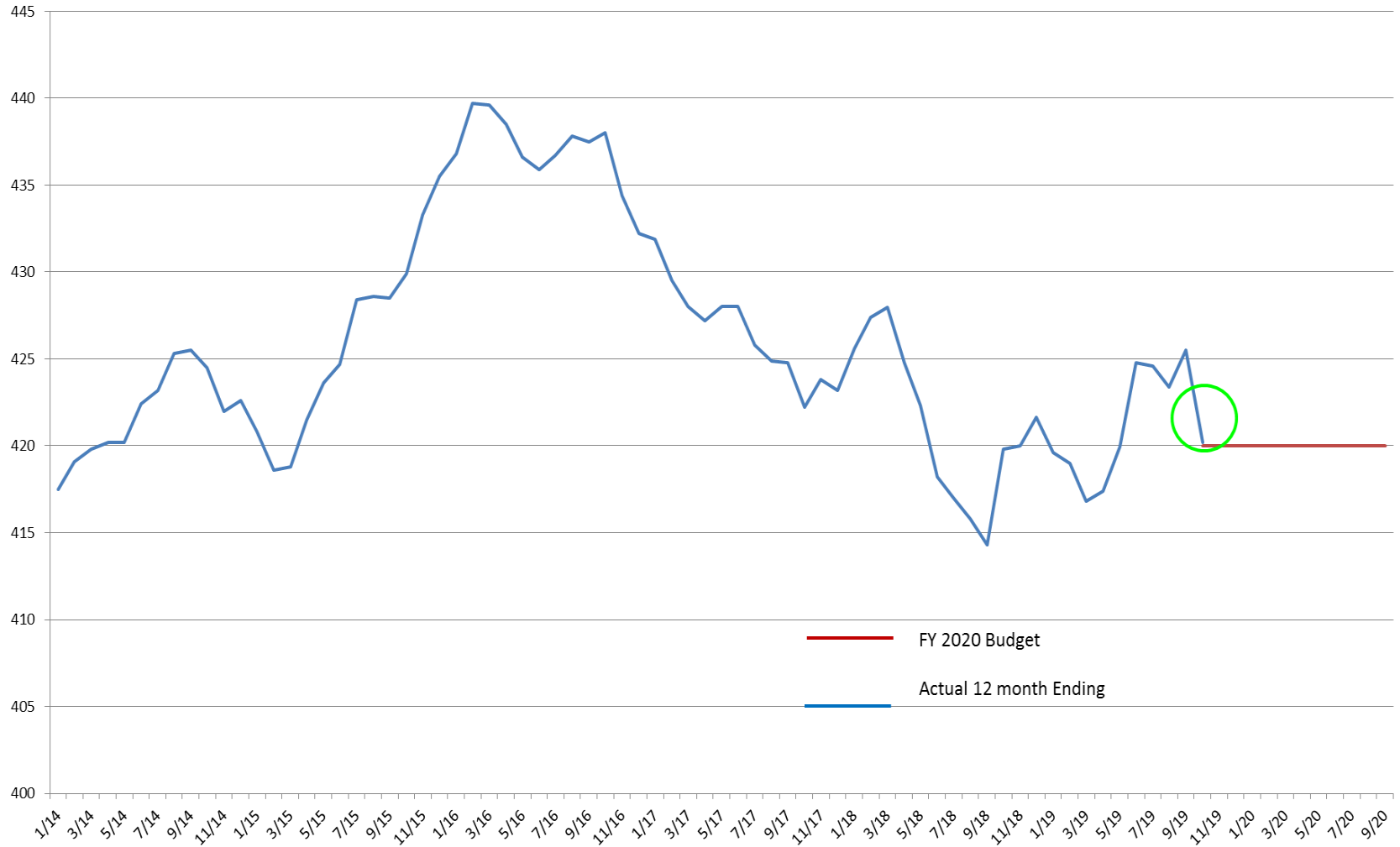


Fuel Cost Recovery	\$
Beginning Balance September 30	\$1,315,201
October Fuel Revenues Collected	\$1,148,442
October Fuel Cost Purchased Power (est.)	\$1,087,698
Over/(Under) Collected (est.)	\$60,744
Ending Balance September 30, 2019	\$1,375,945
Calendar Year End Goal	\$1,350,000

- Our fuel adjustment has worked well for 2019. It has accurately recovered our fuel cost and leaves us with the desired fuel cost recovery balance.

Comparison of 12 mo rolling kWh Sales to FY 2019 Budget

kWh (Millions)



Power Supply Update



- FMPA 10 MW 24x7 & FPL partial requirements/load following service expire 12-31-2019; New FMPA partial requirements/load following purchase will replace both transactions beginning 1-1-2020.
- Actual power supply cost (incl. trans. FY2019 = \$59.05/MWh. FY 2020 budget = \$52.56. (i.e. – 11%).

Power Supply Update



- City Commission approved extension/amendment of OUC power supply agreement effective 1-1-2020. Actual FY19 cost = \$59.07/MWh. Under new contract FY19 would have been \$35.56/MWh (i.e. -39.8%). Savings come from lower demand charges, elimination of OUC transmission charge and lower natural gas fuel pricing option offered by OUC.
- City Commission approved 10 MW participation in FMPPA's solar project II. Expected operation in 2023. \$/MWh energy price well below \$28/MWh.

Sustainability Report for UAB Meeting – 12/11/2019

- We presented to the Commission on Nov. 11th on the EV ordinance, EV Worksession went well, received 3 nods needed to move forward, next steps are to meet with P& Z and then return to the Commission
- Working with Fleet Manager to purchase 3 Nissan Leaf EVs for Building & Permitting Services Department and 2 wall-mounted charging systems
- Green School Grants Application Out, Due 2/21, available at cityofwinterpark.org/greenschools
- Don't Pitch It, Fix It, Community Repair Event, January 4, 2-5, Community Center, more info available at cityofwinterpark.eventbrite.com
- 2020 Cleanups are set, registration and info available at cityofwinterpark.eventbrite.com
- RAA replacement labels for yard waste and recycling carts available, can be picked up the Utility Billing Customer Service Desk or be requested online at cityofwinterpark.org/thinktwice, under "residential curbside collection program, recycling/yardwaste"
- Earth Day Event Saturday April 18, Community Center, 10am-2pm
- HHW/E-Waste Collection Saturday April 25, 8am-12pm, City Operations Complex
- 3 seats will be open on KWPB&S Board in the next year