Utilities Advisory Board Minutes

July 22, 2020 at 12:00 p.m.

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

Present

Jack Miles (Chair), Mary Dipboye (Vice Chair), Karim Arja, Paul Conway, Michael Poole, 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

David Zusi, Director of Water & Wastewater Utility

Jason Riegler, Asst. Director of Water & Wastewater Utility

Kristopher Stenger, Assistant Director Building & Permitting Services

Karen Hood, Recording Secretary

Guest

Commissioner Marty Sullivan

Absent

Jacob Kuzman, UAB member

Vanessa Balta-Cook, Sustainability & Permitting Planner

Meeting called to order

Dan D'Alessandro called the meeting to order at 12:00 p.m.

Approval of minutes

Dan D'Alessandro asked for a motion to approve the minutes from the February 26, 2020 meeting. Jack Miles moved to approve the minutes and Tate Scott seconded the motion. The motion was carried unanimously. New board members, Michael Poole and Mary Dipboye, who were not in attendance of the February 26th meeting voted "yes" to approve the minutes, at the direction of the City attorney.

Citizen Comments

None

Old Business

None

New Business

Dan D'Alessandro asked Jack Miles to run the meeting while we moved forward with the new board.

Jack Miles stated the first order of business is to nominate a chair and a vice chair. It was confirmed a quorum was present (Jacob Kuzman was not in attendance). Karim made a motion for Jack Miles to continue as Chair, and Tate Scott seconded the motion. The motion carried unanimously with a 6-0 vote. Michael Poole nominated Mary Dipboye for Vice Chair, and Karim Arja seconded the nomination. The motion carried unanimously.

There was a discussion regarding what day and time the future meetings should take place because the Commission meetings are now on the fourth Wednesday each month. David Zusi and Dan D'Alessandro, and Wes Hamil suggested the meeting be moved to the third Wednesday, at 12:00 noon of each month. There was a discussion among the board members. Karim made a motion to move the meetings to the third Wednesday of each month, Michael Poole seconded the motion, and it carried unanimously.

Clarification was made that Commissioner Marty Sullivan, is presenting today to the UAB as a citizen and individual, not as a Commissioner. There was a power point presentation made by Commissioner Sullivan, with slides called "Ready for 100%" pertaining to sustainability initiatives. There was a discussion regarding sustainability plans and clean energy for the City among all present. Jack recommended the existing or new UAB members to meet with Dan D'Alessandro or David Zusi to gain better understanding of what the City is doing relative to the power system and water system.

Reports

Electric update by Dan D'Alessandro, he asked the UAB to let him know what they would like to be addressed in future Electric reports. Then he reported the undergrounding of the utilities is behind schedule month to month on the City website maps. Some of the delays are a result of changing the order the projects are being addressed. There are certain areas are having more outages, therefore, they are being prioritized. We are in Project I, the Via's area, and moving forward.

Fairbanks project is almost completed, all of the transmission and power lines are down. We still have joint use lines remaining up, as soon as they are removed, those poles will come down. Paving is in process and will be completed in about two weeks.

Wes reported the Cost of Service Study is underway, Leidos was hired but we do not have anything from them regarding any potential rate modifications yet.

Dan D'Alessandro said he would be updating the undergrounding page on the website in the next few weeks. Michael Poole suggested the date the map was updated be placed on the website page. Michael Poole also suggested the miles be reported on the web page so people can see how many miles are completed.

Jack Miles added that one of the items we are working on, is to come up with a dashboard and key operating measures we can utilize for our board meetings. Tate has had some conversations with Dan, and the thought is these are measures that we would agree on and go through each meeting, so that every month we would have high level financial information that Wes Hamil would go though. The thought is that we need key operating measures on the operating side as well as the financial side. Once a quarter we could have more time dedicated to going through the financials. If you have any thoughts on measurement side to funnel them through to Karen Hood who can send them to Tate.

Water & Wastewater reported by David Zusi, we provide water and wastewater facilities to the City of Winter Park but also to a parts of unincorporated Orange county. We serve twenty-three square miles and the City is about nine square miles. Unincorporated residents pay a premium for their services. The water and wastewater utility are a highly regulated industry. We actively work on upgrading our system plants and distribution systems.

As Covid-19 continues to be an increasing concern we may stop non-mandatory upgrades because of the impact we are seeing. Employees are being lost to quarantine who are testing positive or are exposed to others who have tested positive. With employees out from work this impacts our ability to responds to calls.

We are about to submit to the St. John's Water Management District, a 5-year compliance update. The Consumptive Use Permit expires in 2025, we will have to be looking towards a full new application. American Water Infrastructure Act requires a comprehensive evaluation of our system to the impacts for any type of disaster, penetration or security. We have a consultant working on this evaluation with the City. We also have ongoing projects with FDOT roadway jobs, to accommodate storm water structures and materials.

Financial report presented by Wes Hamil (attached here).

Wes Hamil also reported some utility customers pay an extra charge each month. Those funds go to the United Way 211 program. The funds are administered by United Way and all funds go back to Winter Park customers. The maximum assistance a utility customer can receive is up to $650 per year. The City donated $25,000 to the program as part of their Covid-19 relief. The City is also matching up to an additional $25,000 for the customer contributions. The Electric and Water department and sharing this expense equally. The disconnects resumed on Monday, July 13th and we have disconnected about 125 customers. Letters were sent out in advance offering customers a payment arrangement to take their current balance and spread it over a maximum of the next twelve months. Before disconnects were resumed, arrangements were made with 140 customers for about $135,000. There are now currently 211 customer payment arrangements made that cover almost $200,000 of outstanding charges.

Sustainability reported by Kris Stenger, the solar install at the Aloma plant has gone live. We have five new electric vehicles coming for Building and Permitting. They should be here by the end of September. We will be installing three additional electric vehicles charging stations, they will be at the operations compound, the Swoope plant and city hall. The current electric vehicle from Building and Permitting will then go to the Electric Utility. This will give the City a total of six electric vehicles.

Adjournment

Chmn. Miles adjourned the meeting at 2:02 p.m. Next meeting is August 19, 2020

Respectfully Submitted,
Karen Hood
Recording Secretary

Financial Report

For the Month of June (75% of fiscal year lapsed) Fiscal Year 2020

Water and Sewer Fund

Water and sewer sales in terms of thousands of gallons have not (in total) been negatively impacted by the pandemic.

Revenues and expenses are both tracking budgetary projections as expected.

Capital project funding in the budget includes money for improvements to the Iron Bridge Wastewater Treatment Facility, installing fiber connectivity to the water treatment plants, upgrading the meter data system, and I-4 Ultimate (completed at this point). The timing of some of the Iron Bridge improvements (budgeted at $3,724,515) is controlled by the City of Orlando. Much of the City's wastewater goes to Iron Bridge for treatment and the City shares in the cost of maintaining and improving this facility.

The bottom line reflects a positive $1,782,994 and debt service coverage of 2.40 for the fiscal year, well above the minimum ratio of 1.25.

Electric Services Fund

We are seeing increases in our residential customer sales and decreases in some of our commercial sales of kWh as a result of COVID-19. Overall, it appears we are still on track to meet our annual forecast of 420,000,000 kWh sales.

The fuel rate holiday for the month of May reduced the City's fuel cost stabilization fund balance by $662,617. The June 30 balance in the fund is $1,174,204. The City's target balance for 12/31/2020 is $1,200,000. Staff will continue to monitor fuel costs and adjust rates accordingly if necessary.

The City's new bulk power deals with Florida Municipal Power Agency and OUC are providing cost savings as projected. Savings in bulk power are the main driver in the positive addition to working capital of $4,023,248.

WINTER PARK WATER AND WASTEWATER METRICS
June 30, 2020

	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
Operating Performance:						
Water and Irrigation Sales (thousands of gallons)						
Sewer - inside city limits	781,460	1,028,887	1,015,000	13,887	768,592	1,011,909
Sewer - outside city limits	641,389	845,054	890,000	(44,946)	660,385	875,441
Water - inside city limits	1,234,135	1,632,435	1,500,000	132,435	1,182,569	1,570,520
Irrigation - Inside City	450,652	599,526	585,000	14,526	451,932	597,526
Water - outside city limits	879,611	1,164,906	1,235,000	(70,094)	903,164	1,191,314
Irrigation - Outside City	80,377	106,340	115,000	(8,660)	84,690	113,481
Total	**4,067,624**	**5,377,148**	**5,340,000**	**37,148**	**4,051,333**	**5,360,191**
Operating revenues:						
Sewer - inside city limits	$ 5,120,048	$ 6,741,165	$ 6,853,863	$ (112,698)	4,448,334	6,578,659
Sewer - outside city limits	5,364,175	7,067,503	7,187,087	(119,584)	4,656,496	6,904,201
Water - inside city limits	7,427,501	9,824,624	9,416,085	408,539	6,120,212	9,311,730
Water - outside city limits	4,433,735	5,871,782	5,860,424	11,358	3,813,334	5,715,448
Other operating revenues	1,343,349	1,791,131	1,710,000	81,131	1,249,751	1,774,573
Total operating revenues	**23,688,808**	**31,296,204**	**31,027,459**	**268,745**	**20,288,127**	**30,284,611**
Operating expenses:						
General and adminstration	1,490,910	1,987,881	2,205,373	217,492	1,239,064	1,935,137
Operations	8,931,686	12,609,439	12,856,690	247,251	8,044,944	12,859,869
Labor costs capitalized	176,255	235,007	400,000	164,993	141,437	415,000
Wastewater treatment by other agencies	4,002,370	5,336,494	5,429,114	92,620	3,256,257	5,114,188
Total operating expenses	**14,601,222**	**20,168,820**	**20,891,177**	**722,357**	**12,681,702**	**20,324,194**
Net Operating income	**9,087,586**	**11,127,384**	**10,136,282**	**991,102**	**7,606,425**	**9,960,418**

WINTER PARK WATER AND WASTEWATER METRICS
June 30, 2020

	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	171,309	228,411	58,154	170,257	437,265	446,431
Miscellaneous revenue	16,954	22,605	12,000	10,605	10,158	19,899
Transfer to Renewal and Replacement Fund	(1,223,092)	(1,630,789)	(1,630,789)	0	(1,409,493)	(2,096,335)
Transfer to General Fund	(1,910,206)	(2,546,941)	(2,546,941)	0	(1,631,032)	(2,446,548)
Transfer for Organizational Support	(58,237)	(77,650)	(77,650)	0	(51,569)	(77,354)
Transfer to Capital Projects Fund	(155,625)	(207,500)	(207,500)	(0)	(101,025)	(351,538)
Transfer to Electric Fund	-	-	(181,995)	181,995	(125,621)	(188,431)
Other Capital Spending	(509,980)	(679,974)	(6,068,938)	5,388,964	(137,317)	(169,358)
Debt service sinking fund deposits	(3,635,714)	(4,846,491)	(4,849,490)	2,999	(3,914,189)	(5,176,360)
Total other sources (uses)	**(7,304,592)**	**(9,738,328)**	**(15,493,149)**	**5,754,821**	**(6,922,823)**	**(10,039,594)**
Net increase (decrease) in funds	**$ 1,782,994**	**$ 1,389,056**	**$ (5,356,867)**	**$ 6,745,923**	**683,602**	**(79,177)**
Debt service coverage		**2.40**				**2.09**

WINTER PARK ELECTRIC UTILITY METRICS
June 30, 2020

	FY'20 YTD	FY'20 Annualized	FY'20 Budget	Variance from Budget	FY'19	FY'18	FY'17
Technical Performance							
Net Sales (kWh)	295,283,498	419,839,319	420,000,000	(160,681)	425,487,483	414,329,035	424,821,271
Average Revenue/kWh	0.1021	0.1013			0.1098		0.1043
Wholesale Power Purchased (kWh)	307,910,824	437,671,263	442,105,263	(4,434,000)	439,804,052	434,246,377	429,845,391
Wholesale Power Cost/kWh	(0.0436)	(0.0432)			(0.0591)	(0.0632)	(0.0627)
Gross margin	0.0585	0.0581			0.0507		0.0415
Sold vs. Purchased kWh Ratio	95.90%	95.93%	95.00%		96.74%	95.41%	98.83%
Revenues and Expenses Directly Related to Sales of Electricity:							
Electric Sales:							
Customer charges - residential	1,845,929	2,461,239	2,482,314	(21,075)	2,232,225		
Customer charges - commercial and public authority	407,989	543,986	548,363	(4,377)	499,223		
Demand charges	2,106,551	2,808,734	2,916,488	(107,754)	2,694,021		
Street Lighting	282,842	377,123	383,100	(5,977)	380,733		
Non-Fuel kWh charges	19,162,066	27,244,966	27,342,334	(97,368)	28,308,084	33,381,040	30,628,559
Fuel	6,348,625	9,104,316	12,156,576	(3,052,260)	12,623,109	13,739,354	13,663,392
Purchased Power :							
Fuel	(6,486,122)	(9,219,517)	(12,156,576)	2,937,059	(12,616,487)	(13,739,354)	(12,619,342)
Non-Fuel	(4,879,015)	(6,935,140)	(7,539,787)	604,647	(9,916,779)	(10,180,683)	(10,778,312)
Transmission Power Cost	(2,062,466)	(2,749,954)	(3,357,884)	607,930	(3,468,020)	(3,510,746)	(3,558,875)
Net Revenue from Sales of Electricity	**16,726,399**	**23,635,752**	**22,774,927**	**860,825**	**20,736,109**	**19,689,611**	**17,335,422**
Other Operating Income (Expenses):							
Other Operating Revenues	200,465	267,287	346,900	(79,613)	319,801	350,997	276,212
General and Adminstrative Expenses	(1,413,527)	(1,884,703)	(1,862,409)	(22,294)	(2,011,213)	(1,804,767)	(1,705,609)
Operating Expenses	(3,482,266)	(4,643,022)	(5,946,691)	1,303,669	(5,721,815)	(5,616,455)	(7,170,834)
Total Other Operating Income (Expenses)	(4,695,328)	(6,260,437)	(7,462,200)	1,201,763	(7,413,227)	(7,070,224)	(8,600,231)
Net Operating Income	**12,031,071**	**17,375,315**	**15,312,727**	**2,062,588**	**13,322,883**	**12,619,387**	**8,735,191**

WINTER PARK ELECTRIC UTILITY METRICS
June 30, 2020

	FY'20 YTD	FY'20 Annualized	FY'20 Budget	Variance from Budget	FY'19	FY'18	FY'17
Nonoperating Revenues (Expenses):							
Investment Earnings	(54,653)	(72,871)	(25,000)	(47,871)	(386,874)	(34,021)	(35,398)
Principal on Debt	(2,186,250)	(2,915,000)	(2,915,000)	-	(2,670,000)	(2,530,000)	(2,450,000)
Interest on Debt	(1,390,520)	(1,854,026)	(1,876,526)	22,500	(2,218,854)	(2,913,548)	(2,995,826)
Miscellaneous Revenue	32,098	42,797	-	42,797	22,635	83,427	21,910
Proceeds from Sale of Assets	49,475	65,967	25,000	40,967	25,886	32,599	18,592
Contributions in Aid of Construction (CIAC)	236,593	315,457	500,000	(184,543)	479,648	789,480	498,577
Residential Underground Conversions	72,115	96,153	80,000	16,153	68,245	81,158	94,004
Capital (including the costs of improvements paid for by CIAC revenues)	(536,473)	(1,855,000)	(1,855,000)	-	(2,174,625)	(1,678,010)	(1,546,321)
Replacement of Substation Transformer	-	-	-	-			
Reimbursement of Fairbanks Distribution Line Costs	1,598,570	1,738,873	-	1,738,873	1,333,048		
Undergrounding Fairbanks Distribution Lines	(1,598,570)	(1,738,873)	(1,738,873)	-	(1,333,048)	(1,029)	-
Undergrounding of Power Lines	(2,518,517)	(4,425,000)	(4,425,000)	-	(3,851,032)	(4,429,125)	(3,303,800)
Total Nonoperating Revenues (Expenses)	**(6,296,132)**	**(10,601,523)**	**(12,230,399)**	**1,628,876**	**(10,704,970)**	**(10,599,071)**	**(9,698,262)**
Income Before Operating Transfers	**5,734,939**	**6,773,792**	**3,082,328**	**3,691,464**	**2,617,913**	**2,020,317**	**(963,071)**
Operating Transfers In/Out:							
Transfers from Water and Sewer Fund	121,330	161,773	181,995	(20,222)	188,431	146,561	1,151,088
Transfers to General Fund	(1,662,555)	(2,363,851)	(2,545,301)	181,450	(2,577,382)	(2,557,836)	(2,463,692)
Tranfers for organizational support	(82,132)	(109,509)	(123,198)	13,689	(126,258)	(120,705)	(118,947)
Tranfers to capital projects	(88,333)	(117,778)	(132,500)	14,722	(99,615)	(122,500)	(179,771)
Total Operating Transfers	**(1,711,691)**	**(2,429,365)**	**(2,619,004)**	189,639	(2,614,824)	**(2,654,480)**	**(1,611,322)**
Net Change in Working Capital	**4,023,248**	**4,344,427**	**463,324**	**3,881,103**	**3,089**	**(634,164)**	**(2,574,393)**
Other Financial Parameters							
Debt Service Coverage		3.63			2.59	2.53	1.67
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	2,915,000				2,670,000	2,530,000	2,450,000
Cash Balance					(4,187,304)	(2,377,803)	(324,693)
Current year change in cash balance					(1,809,501)		

WINTER PARK ELECTRIC UTILITY METRICS
June 30, 2020

	FY'20 YTD	FY'20 Annualized	FY'20 Budget	Variance from Budget	FY'19	FY'18	FY'17
Fuel Cost Stabilization Fund Balance:							
Beginning Balance	1,315,201					1,998,073	2,127,701
Fuel Revenues	6,345,125					13,516,532	13,821,741
Fuel Expenses	(6,486,122)					(14,211,039)	(13,951,369)
Ending Balance	1,174,204					1,303,566	1,998,073
Current year change in fuel stabilization fund	**(140,997)**					**(694,507)**	**(129,628)**

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