



Utilities Advisory Board Minutes

April 27, 2021 at 12:00 p.m.

Virtual | Winter Park, Florida

Present

Jack Miles (Chair), Mary Dipboye (Vice Chair), Karim Arja, Paul Conway, Jacob Kuzman, Michael Poole, Tate Scott

City of Winter Park Staff

Justin Isler, Operations Manager Electric Utility

Michael Passarella, Engineer Electric Utility

David Zusi, Director of Water & Wastewater Utility

Jason Riegler, Asst. Director of Water & Wastewater Utility

Wes Hamil, Director of Finance

Vanna Lawitzke, Chief Accountant

Vanessa A. Balta, Sustainability & Permitting Planner

Karen Hood, Recording Secretary

Guest

Navid Nowakhtar, FMPA

Craig Shepard, Leidos

Absent

Dan D'Alessandro, Director of Electric Utility

Meeting called to order

The meeting was conducted via Zoom webinar. Jack Miles called the meeting to order at 12:00 p.m.

Approval of minutes

Motion made by Tate Scott and seconded by Paul Conway to approve the minutes from the March 23, 2021 meeting. Motion carried 7-0

Citizen Comments

None

Items for discussion

- A. Removal of Septic Tanks - Connection between Sewer & Water, Stormwater, and Lakes - UAB Role discussion was led by David Zusi. Questions were asked and a discussion ensued.
- B. Storm Season Prep Review was given by Justin Isler. Questions were asked and a discussion ensued.
- C. Cost of Service Study Next Steps discussion was led by Wes Hamil. Questions were asked and a discussion ensued.

Tate Scott moved to present a copy of the Cost of Service study to the Commission without an indication as to what the UAB's recommendation is. The board will follow the steps outlined:

- April 27 - summarize questions and concerns the UAB would like staff to address at its next regular meeting or session if requested.
- May 25 - review information generated by staff to address questions and concerns developed at April 27 meeting. Develop recommendation for City Commission if all questions and concerns are adequately resolved.
- June 23 - Present a recommendation to the City Commission

Paul Conway seconded the motion; it was carried with a vote of 5-2, Michael Poole and Mary Dipboye are opposed.

- D. Jack Miles made a motion, "that the UAB not put ourselves in a position where we are advancing any particular industry related to renewable power." Paul Conway seconded the motion. Questions were asked and a discussion ensued. The motion was carried with a vote of 5-2, Michael Poole and Mary Dipboye are opposed.
- E. Jack Miles reported the Commission would like the UAB involved with a working group for the Fiber process. Both Michael Poole and Tate Scott, expressed an interest in participating in any steering group regarding the process for Fiber.

Department Updates

- A. Electric Utility - Justin Isler presented the report. Questions were asked and a discussion ensued.
- B. Water & Wastewater Utility - David Zusi spoke briefly.
- C. Utility Monthly Performance Measurements - Wes Hamil reviewed the report. Questions were asked and a discussion ensued.
- D. Financial - Wes Hamil presented the attached report.

Adjournment

Chmn. Miles adjourned the meeting at 2:19 p.m. Next meeting is May 25, 2021.

Respectfully Submitted,
Karen Hood
Recording Secretary
Approved May 25, 2021

Utility Advisory Board

March 23, 2021

Septic Tanks



Agenda

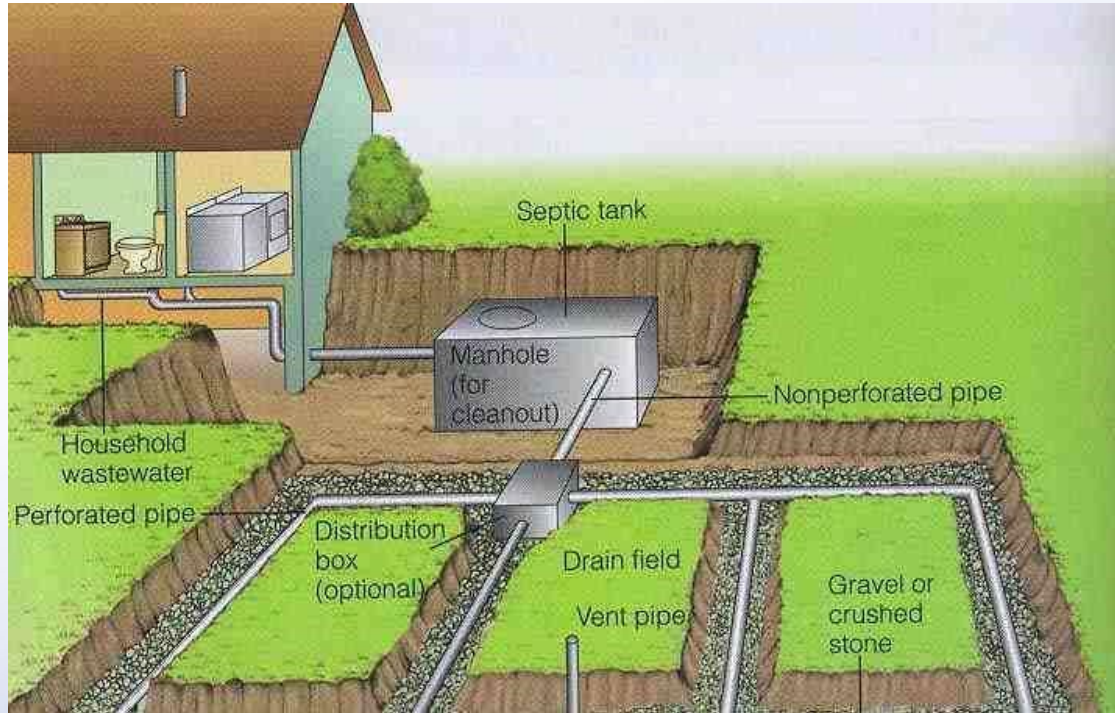


General Discussion

- How septic tanks work
- System map
- City limits map
- Projected costs
- Environmental studies
- Fairbanks Ave experience
- Lee Rd zoning/ROI

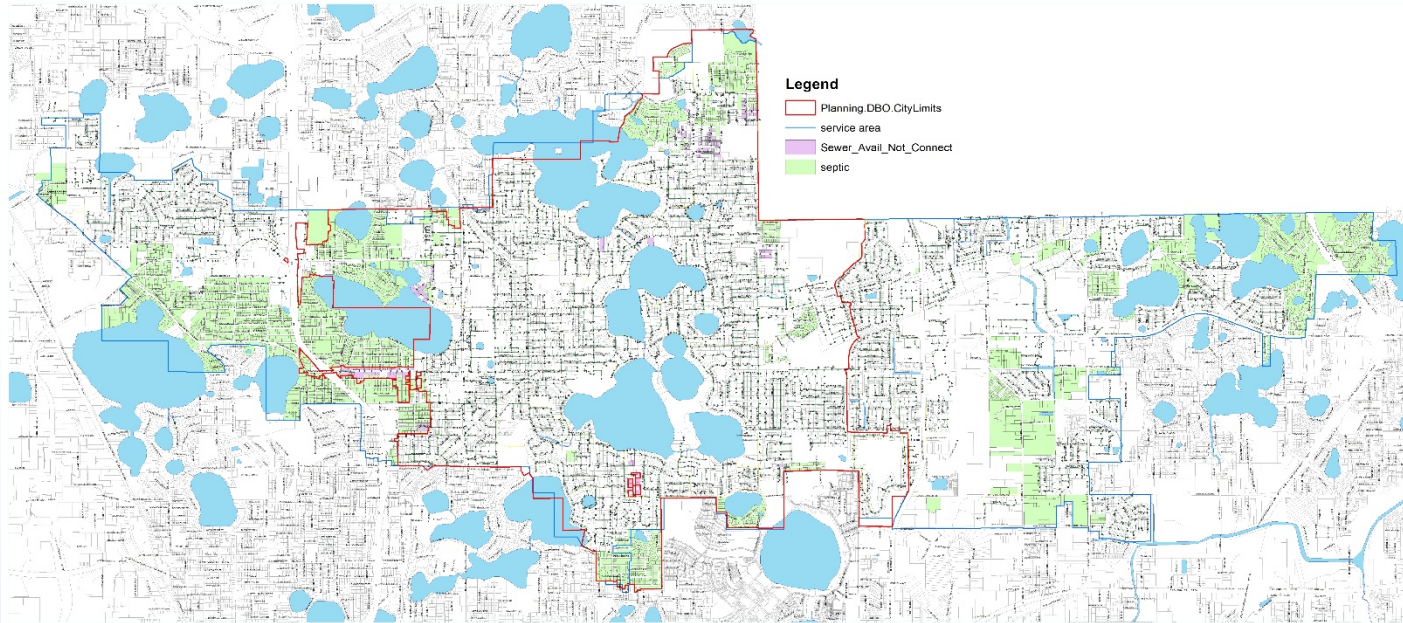
How Septic Tanks Work

Graphic explaining how septic tanks function



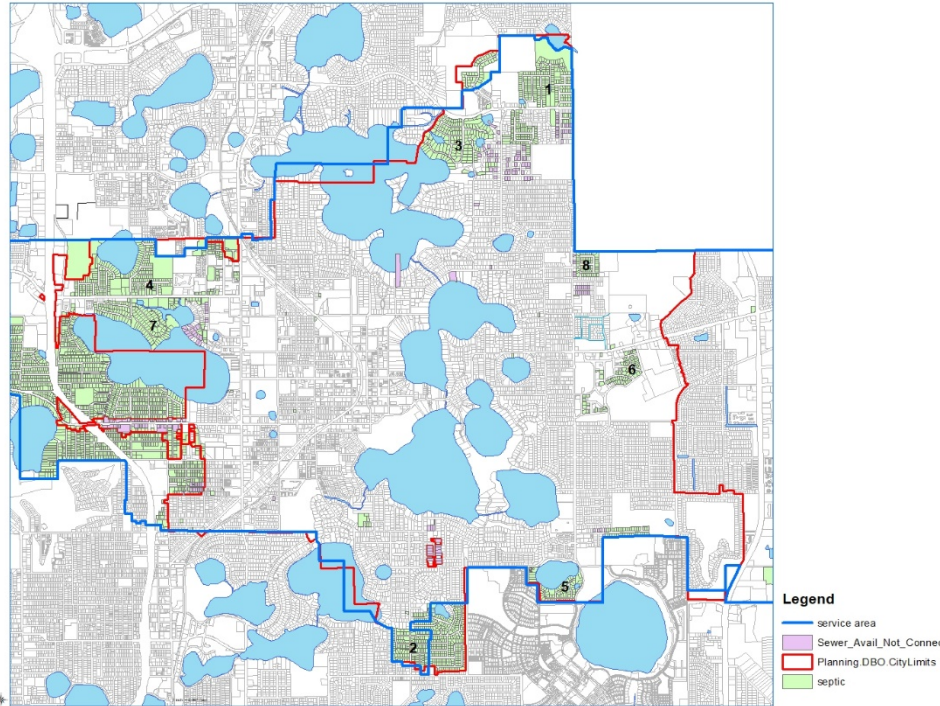
System Map

Map showing location of approximately 5,286 septic tanks



City Limits Map

Map showing location of approximately 1,630 septic tanks



Projected costs

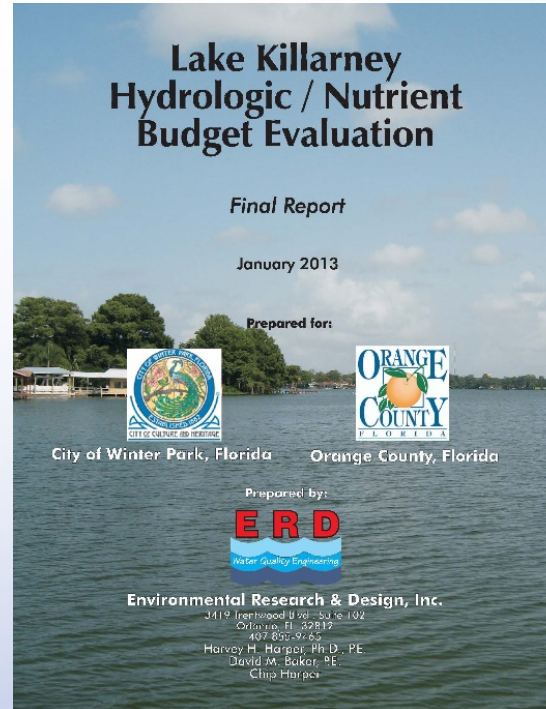


Sanitary Sewer Construction Estimate for City Areas not on Sewer

		<u>By City</u>	<u>By Contactor</u>
1	WP Manor, Howell Heights Howell Forest Area (N. of Howell Branch Rd)	\$1,965,558.23	\$5,601,840.96
2	Lk Forest, Orangewood, Northwood, Parklando, Edgewood, WP Place, (N of Corrin	\$3,496,603.38	\$9,265,998.96
3	Maitland Shores, Tuscany Place, Tuscany Oaks Area	\$7,445,281.15	\$21,219,051.28
4	N. Side of Lee Rd Area, - Albert Lee Ridge, Lake Bell, Albert Heights, Albert Lee Hei	\$6,352,811.57	\$18,105,512.97
5	S. Lakemont Shores Area, Orlando Park Rep, Callum Sub. Div.	\$1,349,267.12	\$3,643,021.22
6	Aloma Section 1 - St. Andrews Area	\$5,800,035.37	\$16,240,099.04
7	Shores of Killarney, Killarney Pt. & Lords Sub.	\$2,688,464.02	\$7,393,276.06
8	Lakemont Heights - Palmer, Alice & Pineview Area	\$1,267,747.48	\$3,549,692.94
9	Typical Out Parcel (Single private pump station & 100 LF of 4" FM) X 43 ea.	<u>\$565,450.00</u>	<u>\$1,470,170.00</u>
	Totals:	\$30,931,218.32	\$86,488,663.42
	Does not include easements or land acquisition for lift stations.		
	Estimated potential connections in City = 1486		

Environmental Studies

Lk. Killarney water quality report cover page by ERD



Environmental Studies

Report Findings



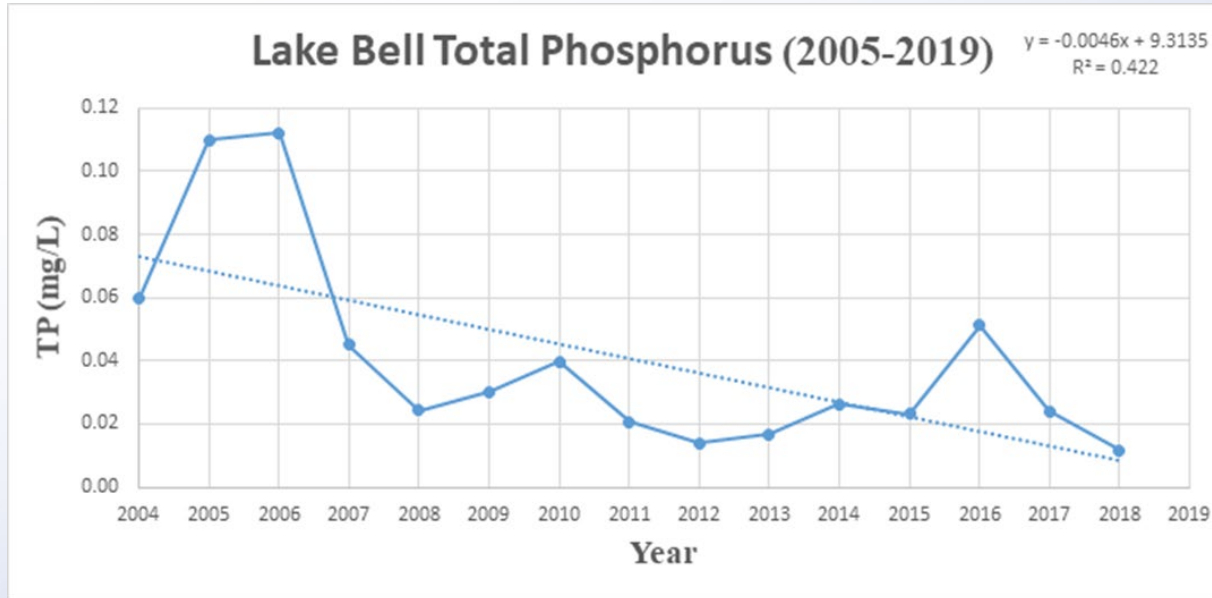
Preliminary Summary Of the ERD Draft Report Lake Killarney Hydrologic/Nutrient Budget Evaluation

Report Highlights:

- Significant contributions of nutrients from internal recycling
 - Total N – 51%
 - Total P – 63%
- Minimal contributions from groundwater seepage
 - Total N – 16%
 - Total P – 8%
- Septic load evaluation not complete, but will be a fraction of the groundwater seepage component

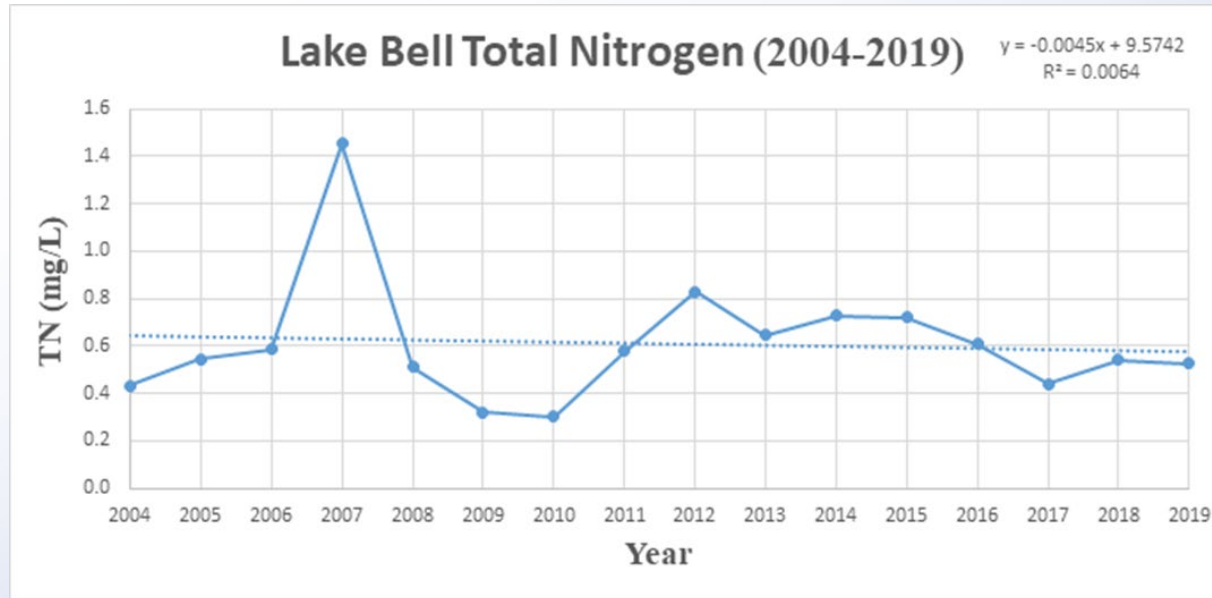
Lk Bell Test Results

Total Phosphorus



Lk Bell Test Results

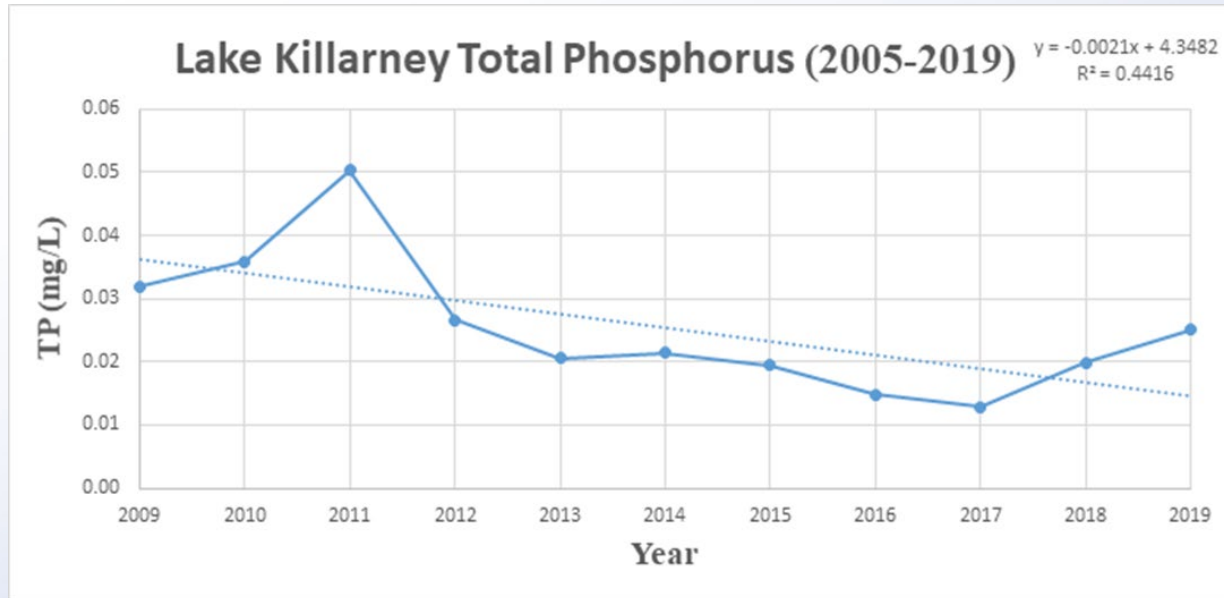
Total Nitrogen



Lk Killarney Test Results



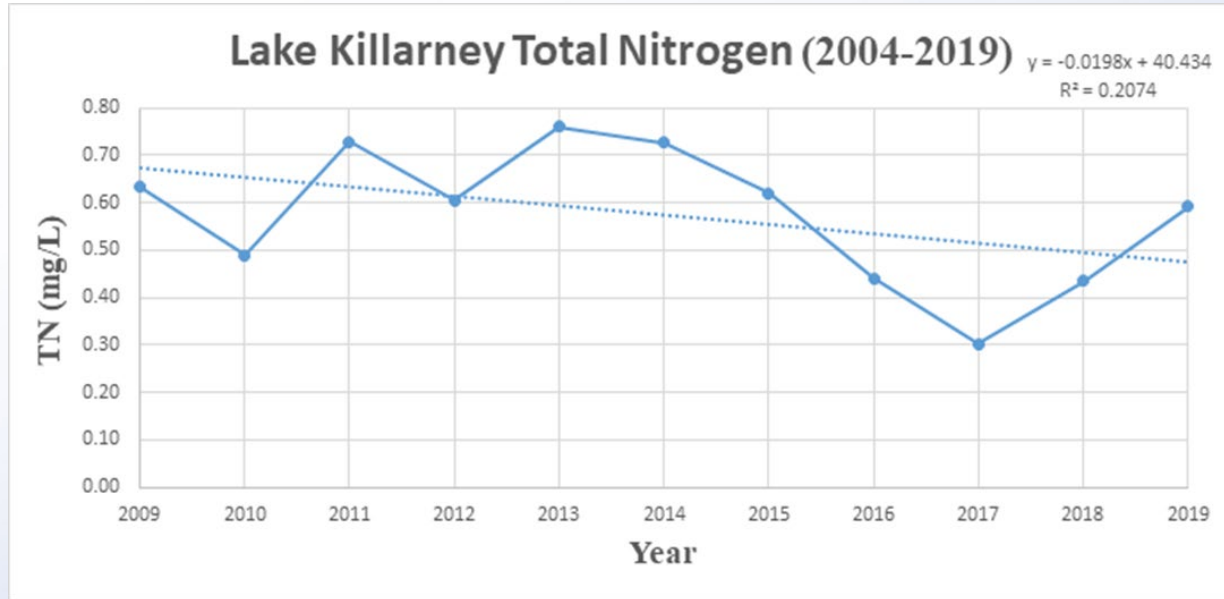
Total Phosphorus



Lk Killarney Test Results

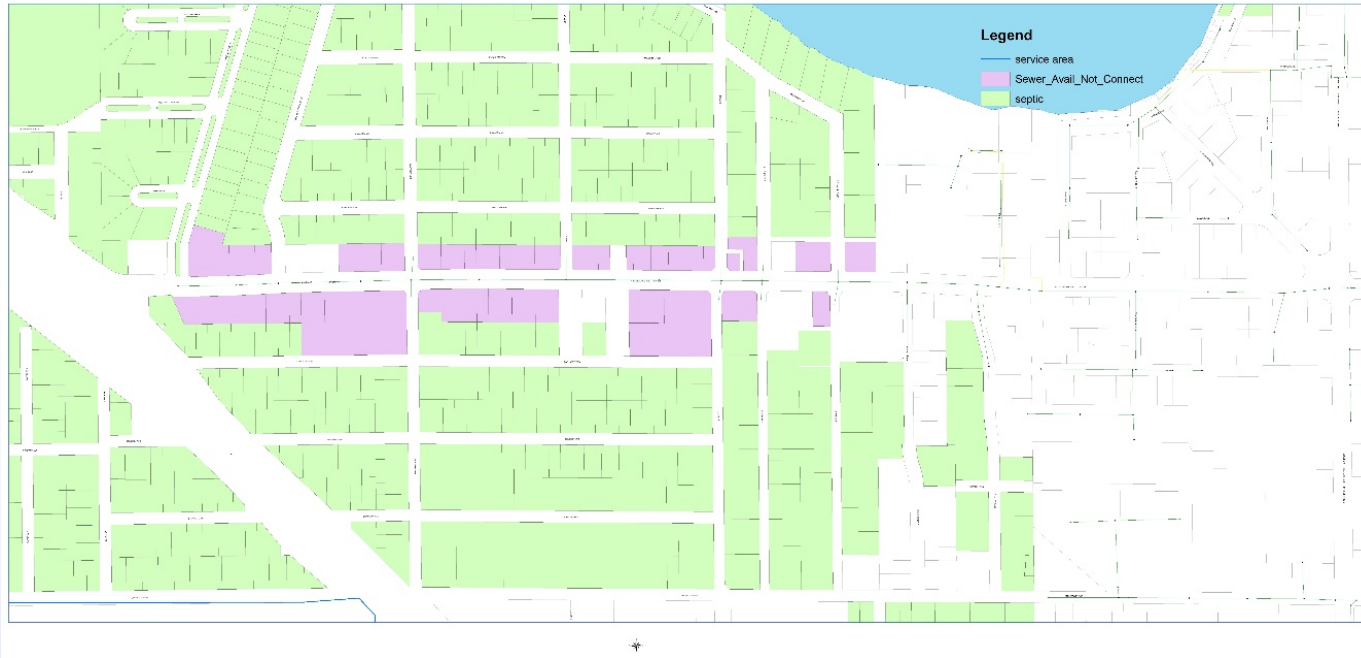


Total Phosphorus



Fairbanks Avenue

Map of W. Fairbanks Ave



Lee Road

Map of Lee Rd E of I-4



Action Items



- Look at policies/ordinances that will encourage conversion from septic to sewer
- Reinstate Fairbanks Ave incentive ordinance & implement system wide
- Additional sampling points in Lake Killarney
- Prioritize work based on water quality
- Focus on City areas first

Next Steps for Electric Cost of Service Study

At its February 23, 2021 meeting, the Utility Advisory Board acknowledged receipt of the Electric Cost of Service Study prepared by Leidos. The results of the study are summarized as follows:

Customer Class	Test Year 2020		
	Total Existing Revenues	Rate Adjustments	
	(\$000)	(\$000)	%
Residential	\$23,416	(\$601)	-2.9%
Commercial			
General Service Non-Demand	1,488	(17)	-1.3%
GS Non-Demand (100% Load Factor)	40	(0)	-0.4%
General Service Demand	12,545	519	4.8%
General Service Demand TOU	4,809	50	1.2%
Public Authority	2,129	48	2.6%
Lighting	485	1	0.3%
Total System	\$44,912	\$0	0.0%

Leidos prepared four different rate options for the UAB to consider. All four options produce the same total revenue by customer class and all achieve the adjustments above in total by customer class.

In addition, there has been some discussion by the board regarding the time of use (TOU) commercial class.

Some potential next steps for the cost of service study:

April 27 – summarize questions and concerns the UAB would like staff to address at its next regular meeting or work session if requested.

May 25 – review information generated by staff to address questions and concerns developed at April 27 meeting. Develop recommendation for City Commission if all questions and concerns are adequately resolved.

June 23 – Present a recommendation to the City Commission

Some questions to consider:

1. The UAB and staff have invested significantly in this study. Would the UAB like to have a work session with the City Commission to review the study and its recommendations?
2. Does the UAB want to present all four options to the Commission or reach a consensus on a preferred option?

Dear fellow board members:

RE: Cost of Service Study (Final Draft)

As you know from my previous comments (both written and oral), I have struggled with the soundness of the Cost of Service Study ("CoSS"). The assumptions on which the report is based are biased towards a desired result.

I was surprised to learn that staff had requested final comments be submitted on the CoSS and were due a few weeks ago. I had not been notified of this request. Plus, as I mentioned in the board meeting, I was still waiting on information and criteria on the Time of Use (TOU) class promised to the board at the January meeting. Unfortunately, two months later we are still in the same place on this issue – waiting on staff to provide information to the UAB.

I, too am ready to move forward and put the CoSS aside for now. However, I am not in agreement with staff accepting a "final" version when there are open items that will impact the CoSS. I am cognizant of Leidos's efforts and assume that the City is adequately compensating the firm.

The next phase of discussion will be focused on making recommendations to the City Commission. The foundation of which I believe will be based on a flawed report (in its current form). My hope is that as we move forward in discussions on policies and objectives regarding rate setting, that we will be able to readdress the cost allocation and rate classes. This will create the opportunity to appropriately revise finalize the CoSS.

As promised at the board meeting below are my comments regarding the current draft of the CoSS.

1. Table 3-1: Assumption 9 - Suggest changing the projected kilowatt usage to 420 million for 2021 versus the 407 million currently used. The study started in midst of the pandemic and a more conservative assumption towards energy usage was warranted. However, with the passage of time the energy usage has not dropped. Using the 420 million will align the rates closer to actual usage.
2. The commercial rate class TOU should be eliminated. This rate class was created under Progress Energy's ownership. We are not a generating utility and our cost of energy or operating expenses do not substantially fluctuate during the day. Further, this rate class is categorized as having a 90% load factor. Meaning that these customers have a consistent and level usage of energy minute by minute, hour by hour, day by day. Therefore, their ability to shift usage to off-peak hours is limited. Further, no analysis was provided regarding the appropriate hours for "on" or "off" peak hours. Nor analysis of the actual energy costs during those hours.

The TOU has been a protected rate class and receives the lowest rates of any customer. The City stopped allowing additional customers access to this rate with no explanation. Additionally, a "promise" was made by an unknown or unnamed person that this class would remain after the City purchased the utility assets from Progress. However, no one on City staff has stepped forward as to the details of this promise. This needs to occur soon.

I reached to John Eckbert who spearheaded the effort to purchase the utility when he was a city commissioner. John is friend and former shareholder of my company. I asked him whether he

knew about any promise made to customers. His response *"The commission didn't make any commitments to protect any customers. Staff can't commit the commission to policy rightly set by elected officials, especially ones elected in the future. Even current commissions are limited in what they can do to restrict future commissions."*

We have all acknowledged that this situation is unfair to other customers and needs to be resolved. The inclusion of this rate class inappropriately raises rates to the other classes. The customers in this rate class have financially benefitted for up to 15 years, and now is the time to quickly rectify this unfair situation.

Additionally, the restriction of not adding new customers to this rate class could be a violation of PURPA and Florida PSC regarding the required fairness of rates and classes to all customers.

The TOU issue alone renders any Cost of Service Study being marked "final" premature until resolution is reached.

3. The costs shown on Table 5-1 in the Production Demand Related category should be allocated based on kWh. The costs in this category are identical to costs in the Production Energy Related category which are allocated by kWh. The inconsistency between methods has not been explained. Nor has assumptions been provided or explained regarding the allocation of identical costs between Demand and Energy. The current method used for Demand costs over allocates these costs to residential customers.
4. Table 5-4
 - a. Increased Customer Charges:
 - i. "Pros" statements are misleading. All revenue collected by the utility "Helps recover fixed costs; closer to cost of service revenue". The industry trend is not to raise the Customer Charge. Please delete this comment as the vast majority of requests to raise the Customer Charge have been denied. This statement is meant to give permission to raise this charge and is not a benefit.
 - ii. "Con" – please add "Discourages energy conservation; discourages residential solar; possible violation of City ordinance regarding solar power"
5. Table 6-1: Please change the order of the options. Typically, in reports of this nature, options are presented in progression relative to changes. This allows the reader to easily see the progression of the changes between options. Option 2 should be shifted to the Option 1 column. I recognize that staff prefers the rates in Option 1. However, besides the above reason for the shift, the change would appropriately present the information in a neutral manner.

I look forward to working towards creating an equitable rate structure supported by established policies and objectives.

Cheers,

Michael Poole

March 30, 2021

Mr. Michael Poole
Utility Advisory Board
City of Winter Park, Florida

Subject: Electric Cost of Service Study

Dear Mr. Poole,

Thank you for your continued interest in the Electric Cost of Service Study. I welcome getting into the numbers and providing explanations. I do not think the assumptions are biased, but rather based on the City's budgeted expenses, historical billing information, and Florida Public Service Commission (PSC) guidelines.

After the January meeting, we worked with the City staff and did a further analysis regarding the Time of Use (TOU) customers and this was discussed in the February meeting. See below for our findings about the TOU class.

To address your comments:

1. Although the 407 million kWh was used in the City's fiscal year 2021 Budget, the projected Test Year sales of 420,000 million kWh was used in the Cost of Service Study (see pages 14 and 22) to reflect an estimated normal year.
2. There is a lot to be considered regarding the TOU class. The TOU class can benefit the entire system and all customers by using more energy during off-peak hours and therefore avoiding purchased demand costs. This was recognized in my discussions with the PSC regarding Tallahassee's TOU rate. For Tallahassee, energy costs are essentially the same around the clock since almost all generation is from natural gas. The PSC agreed that demand related costs can be included in the on-peak energy charge to incentivize off-peak energy usage and avoid demand related costs. Many utilities in Florida have TOU rates, including non-generating utilities such as Ocala. We worked with City staff and found that the TOU customers use about 75% of the energy during off-peak periods. The high load factor means that they have shifted significant energy to off-peak hours. The analysis indicates that the TOU class is benefitting the system and all customers. The on- and off-peak hours are typical of other Florida utilities. Even if the hourly costs do not vary, the rate provides for avoiding purchased demand costs. This is not a protected rate class, in the sense that if a customer uses too much on-peak energy and demand, the rate is higher than the GSD rate. The City may want to make this rate available to others that might benefit themselves and the City. This rate is not necessarily unfair to other customers, but may actually benefit other customers. If the City eliminates this class, there may be more on-peak usage and higher purchased demand costs, which could mean higher rates for the residential class. A detailed analysis showed that the TOU customers would pay approximated \$310,000 more annually if they were all shifted to GSD. Even if there were no additional purchased demand costs and all of the \$310,000 resulted in lowering residential rates, this represents \$310,000 divided by \$22,409,000, or 1.4% of the residential cost of service.

Additionally, It should be noted that because of the TOU class high load factor, if those customers were placed on the GSD rate, they would still have a cents per kWh less than the GSD class as a whole. The City's actual load research for the TOU class (for close to 100% of those customers) shows a significantly better load factor than that for the General Service Demand class, so a separate class is appropriate from a cost of service approach.

The City may want to consider offering the TOU rate to others. However, I do not know of any violation of PURPA or PSC rules by closing it to new customers. For example, Duke Energy has at least five retail rates that are currently closed to new customers. The City should periodically review customers on the TOU rate and determine if they are on the appropriate rate.

3. Production Demand Related Costs are allocated based on a modified 12-month Coincident Peak Demand (kW) basis, in accordance with PSC guidelines. The \$9,416,193 purchased demand costs include FMPA demand charges, OUC demand charges, Covanta demand charges and Duke Transmission charges, all charged to the City based on the kW of demand purchased. The Production Demand Related Costs also include an allocation, based on revenue requirements, of administrative costs, return to the City, and Contingencies and Reserves. This is not identical to Production Energy Related costs, which include FMPA energy charges, OUC energy charges, Covanta energy charges, and an allocation, based on revenue requirements, of administrative costs, return to the City, and Contingencies and Reserves. These costs are allocated based on kWh energy sales. See the attached Table 3-1 Detail and Table 4-1 Detail for a step-by-step explanation of the allocation process.
4.
 - i. While there may be debate on what percentage of costs are fixed, it is true that increased customer charges help recover fixed costs. See the attached table that shows the trend for the last 10 years in Florida. As shown on the attached table, most have had significant increases, including the IOUs that have to file rates with the PSC. This table was presented at the February UAB meeting.
 - ii. All of the four options have inverted block energy charges, which promote conservation. In my opinion, and considering elasticity of demand studies on similar issues, a small increase in the monthly customer charge will not influence the decision to install residential solar.
5. Regarding the order of the options, we propose adding language such as: "The four rate options are not shown in any order of preference."

Sincerely,

Craig Shepard

Table No. 3-1
Detail

CITY OF WINTER PARK, FLORIDA
Electric Cost of Service Study

Summary of Projected Revenue Requirements and Existing Rate Revenues

Fiscal Year Ending September 30

Ln. No.	Description (a)	Amended Budget 2020 [1]	Adjustments to Amended Budget 2020	Test Year Revenue Requirements	Test Year		
		(b)	(c)	(d)	Production (e)	Transmission & Distribution (f)	Customer (g)
	Operating Expenses [2]						
1	Operations						
2	Bulk Power [3]	\$19,696,363	(\$1,000,000)	\$18,696,363	\$18,696,363	\$0	\$0
3	Transmission [4]	3,357,884	(3,357,884)	0	0	0	0
4	Gross Receipts Tax	1,152,998	0	1,152,998	0	1,152,998	0
5	Electric Capital	1,180,000	0	1,180,000	0	1,180,000	0
6	Other Operations	1,836,636	0	1,836,636	0	1,836,636	0
7	Total Operations	27,223,881	(4,357,884)	22,865,997	18,696,363	4,169,634	0
8	Undergrounding [5]	6,163,873	(1,738,873)	4,425,000	0	4,425,000	0
9	Tree Trimming	656,996	0	656,996	0	656,996	0
10	Warehousing	378,031	0	378,031	0	378,031	0
11	Street Lighting	480,000	0	480,000	0	480,000	0
12	Utility Billing	713,923	0	713,923	0	0	713,923
13	Meter Servicing	388,618	0	388,618	0	0	388,618
14	Administration	1,148,486	0	1,148,486	0	728,815	419,671
15	<i>Total Operating Expenses</i>	37,153,808	(6,096,757)	31,057,051	18,696,363	10,838,476	1,522,212
	Other Revenue Requirements						
16	Debt Service [6]	4,791,526	0	4,791,526	0	4,791,526	0
17	Subtotal Revenue Requirements	41,945,334	(6,096,757)	35,848,577	18,696,363	15,630,002	1,522,212
18	Interfund Administrative Services	1,728,412	0	1,728,412	901,431	753,589	73,392
19	Transfer to General Fund [7]	2,545,301	0	2,545,301	1,327,469	1,109,753	108,079
20	Other Transfers	255,698	0	255,698	133,356	111,484	10,858
21	Contingency	2,219,838	0	2,219,838	1,157,728	967,851	94,259
22	Replenish Cash Reserves [8]	0	2,314,351	2,314,351	1,207,020	1,009,058	98,273
23	<i>Total Other Revenue Requirements</i>	11,540,775	2,314,351	13,855,126	4,727,004	8,743,261	384,861
24	TOTAL REVENUE REQUIREMENTS	48,694,583	(3,782,406)	44,912,177	23,423,367	19,581,738	1,907,073

Line 14 allocated based on Wages and Salaries.

Lines 18-22 allocated based on Subtotal Revenue Requirements.

Table No. 4-1
Detail

CITY OF WINTER PARK, FLORIDA
Electric Cost of Service Study
Functionalization of Test Year Revenue Requirements

Ln		FY 2020
No	Description	<u>Test Year Amount</u>
1	Production	
2	Bulk Power Demand Related	\$ 7,515,938
3	Demand Related Transfer to General Fund	533,642
4	Demand Related Administrative and Other	415,984
5	Demand Related Contingency and Reserves	950,629
6	Subtotal Production Demand Related	\$ 9,416,193
7	Bulk Power Energy Related	\$ 11,180,425
8	Energy Related Transfer to General Fund	793,826
9	Energy Related Administrative and Other	618,803
10	Energy Related Contingency and Reserves	1,414,119
11	Subtotal Production Energy Related	\$ 14,007,173
12	Total Production	\$ 23,423,367
	Transmission and Distribution	
	Distribution Operations	
13	Salaries, Wages and Benefits	\$ 816,572
14	Contractual Services	1,652,000
15	Utility & Communication Services	31,708
16	Insurance	39,928
17	Gross Receipts Tax	1,152,998
18	Other Distribution Operations	375,595
19	Subtotal Distribution Operations	4,068,801
20	Distribution Maintenance	100,833
21	Administrative Expense	728,815
22	Street Lighting	480,000
23	Tree Trimming	656,996
24	Warehousing	378,031
25	Undergrounding	4,425,000
26	Debt Service	4,791,526
27	Transfer to General Fund	1,109,753
28	Administrative and Other Transfers	865,073
29	Contngency and Reserves	1,976,909
30	Total Transmission and Distribution	\$ 19,581,738
	Customer	
31	Utility Billing	\$ 713,923
32	Meter Servicing	388,618
33	Administration	419,671
34	Transfer to General Fund	108,079
35	Administrative and Other Transfers	84,250
36	Contngency and Reserves	192,532
37	Total Customer	\$ 1,907,072
38	TOTAL REVENUE REQUIREMENTS	\$ 44,912,177

Table No. 4-1
Detail

Line 2 = Bulk Power x 40.2% Demand Related, percent based on
budgeted FMPA, OUC, Covanta and Duke Transmission demand charges
as a percent of total Bulk Power charges
= Table 3-1 Detail Line 2 x 40.2%
= \$18,696,363 x 40.2%
= \$7,515,938

Line 3 = Table 3-1 Detail Line 19 Production x 40.2% Demand Related
= \$1,327,469 x 40.2% = \$533,642

Line 4 = Table 3-1 Detail Line 18+20 Production x 40.2% Demand Related
= (\$901,431+\$133,356) x 40.2% = \$415,984

Line 5 = Table 3-1 Detail Line 21+22 Production x 40.2% Demand Related
= (\$1,157,728+\$1,207,020) x 40.2% = \$950,629

Line 7 = Bulk Power x 59.8% Energy Related, percent based on
budgeted FMPA, OUC, and Covanta energy charges
as a percent of total Bulk Power charges
= Table 3-1 Detail Line 2 x 59.8%
= \$18,696,363 x 59.8%
= \$11,180,425

Line 8 = Table 3-1 Detail Line 19 Production x 59.8% Energy Related
= \$1,327,469 x 59.8% = \$793,826

Line 9 = Table 3-1 Detail Line 18+20 Production x 59.8% Energy Related
= (\$901,431+\$133,356) x 59.8% = \$618,803

Line 10 = Table 3-1 Detail Line 21+22 Production x 59.8% Energy Related
= (\$1,157,728+\$1,207,020) x 40.2% = \$1,414,119

Monthly Electric Utility Update 4/1/21

Miles of Undergrounding performed

- Project G: 4.1 miles (91% complete)
- Project I: 6.9 miles (81% complete)
- Project W: 0.26 miles (Complete)
- Project Q: 1.85 miles (12% complete) Reliability project

TOTAL so far for FY 2021- 3.7 miles

OH/UG Budget update

2020 Undergrounding budget = 5M

- FYTD = 2.24M

Total Project Review

- Total Citywide Project Miles- 127.5
- Total Miles Completed- 83.2
- Percentage Completed- 65.3 %
- Total miles remaining- 44.3

Notes of Interest

- **Fairbanks project:** Project is complete. All old Transmission poles are gone. Street light installation is complete. Sidewalk restoration is complete.
- The UAB has accepted the Cost of Service Study from Leidos and is now working on bringing a recommendation forward to City management and the Commission based on the results of the study
- RFI released for the solar installation and responses received. We now are developing and releasing an RFP.
- We have finally received permits from the railroad and construction on project “G” has resumed. This is the area of the RR tracks on Canton.

Issues/Concerns

- In March while doing a repair on Circuit Switcher 1 at Canton Substation, the switch failed and cannot be repaired. Due to this outage, Transformer #1 is out of service until a work-around is put in place. The new switcher is on order and will be at least 12 weeks out.
- We will have to complete 8 miles per year this year and for the next 5 years to meet deadline. This is achievable with the additional funds. We must perform very well.
- Materials are going up exponentially (especially anything resin based like conduit) and the lead-time is extending.
- Replacing Mark Brown will leave us with a bit of a hole until we can get someone in place.
- We have one lineman who has left and one lineman on STD. The lineman position is in high demand and it is difficult for us to get qualified applicants.

2021 Goals

- Zero personal injuries within work group
 - We had an employee injure his shoulder requiring light duty
- Zero controllable vehicle accidents within work group
 - We had an employee bump into a parked vehicle causing damage to customer vehicle
- Complete 8 miles (to include stretch goal) of underground conversions on the projects as designed
 - G and H , I & J
- Identify and complete areas with poor reliability for targeted undergrounding advancement (stretch goal of 2 miles) Project "Q" is our first target.
- We will utilize targeted overtime with Heart crews to accomplish the additional 2 mile stretch goal
- Negotiate and secure a 2nd interconnection with OUC
(Obviously depends on appropriate deal)

- Green indicates goal has been met
- Red indicates goal will not be met
- Orange indicates still underway

Utility Monthly Performance Measurements

The Utility Advisory Board identified performance measurements for the Electric and Water Utilities. These are activity and profitability measures used as management tools to set baseline performance measures to be reviewed monthly to implement strategies for improved performance on those baselines. This report organizes the performance measurements by service type.

Water Sewer Utility

Service Type	Measure	Goal	Jan	Feb	Mar	On Target
Efficiency	% of Outside WW Plant Capacity Utilized	<85%	60.23	65.78	60.46	Above Goal
	% of WP Estates WW Capacity Utilized	>60%	40.7	39.65	49.7	Below Goal
Environment	Count of Rebates Processed		3	2	4	
	Total MWh generated from Aloma solar system	15 MWh	12.03	12.21	16.39	Above Goal
Operational	Average % Water meters reporting	98.50%	98.79%	98.79%	98.86%	Above Goal
	Count of Wastewater Incidents	0	0	0	0	Above Goal
	Wastewater Incident Overflow in 1,000s Gallons	0	0	0	0	Above Goal
	Water pumped compared to CUP allocation	<12.4 mgd	10.34	17.89	9.94	Above Goal

Both

Service Type	Measure	Goal	Jan	Feb	Mar	On Target
Customer Service	Call Abandonment Rate		29.10%	24.30%	23.6%	
	Number of disconnects for non-pay		186	159	193	
	Utility Billing Call Average Wait Time		10:01	8:07	8:13	
	Volume of calls to City Utility Billing		5,234	4,700	5,428	
Financial	Accounts receivable/billed revenue – FYTD	<10%	7.15%	6.38%	5.21%	Above Goal
	Average cost of purchased power per kWh - FYTD	<\$0.05	\$0.0429	\$0.0463	\$0.0458	Above Goal
	Average revenue per kWh – FYTD	>\$0.10	\$0.1027	\$0.1034	\$0.1037	Above Goal
	Bad debt expense/billed revenue – FYTD	<0.25%	0.30%	0.18%	0.14%	Above Goal
	Debt service coverage ratios - W&S - FYTD	>1.5	2.13	2.23	2.24	Above Goal
	Debt service coverage ratios - Electric - FYTD	>1.5	3.83	3.46	3.39	Above Goal
	Percentage of utility accounts receivable over 60 days outstanding		2.97%	3.02%	3.04%	
	Utility accounts receivable over 60 days outstanding		\$178,928	\$171,791	\$141,433	

**Index Key- the monthly data text is colored green when the change from the previous month is an improvement, and red when it is not. The On Target column is highlighted comparing the most recent monthly data to the Goal: Red if below, Yellow if Near, Green if Above.*

Electric Utility

Service Type	Measure	Goal	Jan	Feb	Mar	On Target
Efficiency	Winter Park electric rates for 1,000 kWh residential customer as a % of statewide municipal (Average)		96.18%	96.42%	96.45%	
	Winter Park electric rates for 1,000 kWh residential customer as a % of statewide municipal (Monthly)		98.89%	98.72%	98.02%	
Environment	Electric Car Charger kWh use		4,367	4,876		
	Solar Metering Count of Customers		117	120	121	
	Solar Net new metering Customers		4	3	1	
Financial	Rolling 12 month kWh	420 (FY20)	423,164,992	422,409,225	423,453,607	Above Goal
	Underground System Complete (%)		64.00%	64.80%	65.30%	
Reliability	L-Bar		153.7	Pending Data		
	L-Bar Rank to Peers (12 mo rolling)	Top 5	Pending Data	Pending Data		Below Goal
	Outage Occurrences		7	6		
	SAIDI		1.7	3.93		
	SAIDI Rank to Peers (12 mo rolling)	Top 5	4th/20	Pending Data		Above Goal
	SAIDI Sum	< 19 Annually	36.10	Pending Data		Below Goal

*FMPA data is delayed reporting.

Translation Table

L-Bar	Measures the average length of a single outage
SAIDI	Measures the average frequency of momentary interruption events for the average customer
KWH	Kilowatt hour
CUP	Consumptive Use Permit
YTD	Year to Date
MWh	Megawatt hour

Water and Sewer – March 2021



	FYTD Budget	FYTD Actual	Variance
Water sales (thousands of gallons)	1,689,242	1,686,019	(3,223)
Sewer sales (thousands of gallons)	957,258	954,814	(2,444)
Operating revenues	\$15,752,251	\$15,406,830	(\$345,421)
Net increase (decrease) in funds			(\$106,341)
Projected Debt Service Coverage		2.09	

Electric – March 2021



	FYTD Budget	FYTD Actual	Variance
kWh sales	189,327,860	197,273,681	7,945,821
Average revenue/kWh			\$0.1037
Net revenue from sales of electricity	\$12,097,471	\$11,535,502	(\$561,969)
Net increase (decrease) in funds	\$1,079,057	\$1,305,379	\$226,322
Projected Debt Service Coverage			3.80

Electric – Items of Note



- Sales in terms of kWh are about 4% higher than projected in the FY 2021 budget.
- The negative variance in net revenue from sales of electricity results from the much higher than normal fuel costs experienced in February.
- In February, natural gas prices in the FMPA and OUC invoices were much higher than normal due to the extreme cold winter conditions experienced across the United States during mid-February. Both contracts have fuel pricing tied to natural gas. The average natural gas price from the January FMPA invoice was \$19.8194/MWh. The average natural gas price from the February invoice was \$38.5748/MWh, nearly double. OUC natural gas prices were similar. The high prices were due to the very high natural gas prices that occurred between February 12 and February 22. As a result, the City under recovered fuel costs in February by \$454,274 which brought our balance down to \$770,163. In March, we further under recovered by \$65,064, bringing the balance to \$705,099. Our target balance for 12/31/21 is \$745,000. Fuel prices returned to much more normal levels in March and staff will continue to monitor costs and recoveries and will adjust rates if necessary.

Heart of Florida United Way (HFUW) Emergency Utility Assistance Program



- This is the assistance program Winter Park customers can contribute to through their utility bill to assist other customers experiencing financial hardship. The City has provided \$25,000 in direct assistance to this program as part of its COVID-19 relief package and pledged up to an additional \$25,000 in matching contributions (\$5,890 of the matching has been contributed to date)
- The program provided a total of \$34,734.26 in assistance to 94 Winter Park customers from September 1, 2020 to March 26, 2021
- As of March 26, 2021, the program has a balance of \$62,674.40 to assist Winter Park customers.
- The City's utility billing staff refers customers facing financial hardships to its website which directs them to the HFUW program as well as the other federally funded programs providing assistance to qualifying low income and elderly customers.

WINTER PARK WATER AND WASTEWATER METRICS
March 31, 2021

	FY 2021 YTD				FY 2020 YTD	
	FY 2021 YTD	FY 2021 Annualized	FY 2021 Budget	Variance from Budget	FY 2020 YTD	FY 2020 in Total
Operating Performance:						
Water and Irrigation Sales (thousands of gallons)						
Sewer - inside city limits	513,822	1,026,412	1,015,000	11,412	525,383	1,042,266
Sewer - outside city limits	440,992	873,837	890,000	(16,163)	435,828	864,206
Water - inside city limits	781,604	1,595,353	1,500,000	95,353	803,106	1,648,234
Irrigation - Inside City	257,528	536,143	585,000	(48,857)	283,023	600,301
Water - outside city limits	596,044	1,190,955	1,235,000	(44,045)	600,557	1,183,691
Irrigation - Outside City	50,843	105,788	115,000	(9,212)	50,291	113,192
Total	2,640,833	5,328,487	5,340,000	(11,513)	2,698,188	5,451,890
<hr/>						
Operating revenues:						
Sewer - inside city limits	\$ 3,463,676	\$ 6,927,352	\$ 6,848,968	\$ 78,384	3,410,238	6,870,798
Sewer - outside city limits	3,664,466	7,328,932	7,156,936	171,996	3,564,926	7,225,392
Water - inside city limits	4,579,294	9,158,588	9,740,853	(582,265)	4,729,421	9,977,058
Water - outside city limits	2,970,706	5,941,413	5,922,962	18,451	2,890,973	5,959,849
Other operating revenues	728,688	1,457,377	1,634,782	(177,405)	967,167	1,773,249
Total operating revenues	15,406,830	30,813,660	31,304,501	(490,841)	15,562,726	31,806,347
Operating expenses:						
General and adminstration	982,615	1,965,229	1,895,187	(70,042)	943,551	2,081,314
Operations	6,067,678	13,238,571	13,720,842	482,271	5,919,247	12,567,762
Labor costs capitalized	215,275	430,550	400,000	(30,550)	96,532	361,735
Wastewater treatment by other agencies	2,989,539	5,979,079	6,002,384	23,305	2,729,434	5,316,122
Total operating expenses	10,255,107	21,613,429	22,018,413	404,984	9,688,763	20,326,933

WINTER PARK WATER AND WASTEWATER METRICS
March 31, 2021

	FY 2021 YTD				FY 2020 YTD	
	FY 2021 YTD	FY 2021 Annualized	FY 2021 Budget	Variance from Budget	FY 2020 YTD	FY 2020 in Total
Net Operating income	5,151,723	9,200,231	9,286,088	(85,857)	5,873,963	11,479,414
Other sources (uses):						
Investment earnings	(81,422)	(162,843)	129,400	(292,243)	(29,049)	222,203
Miscellaneous revenue	14,967	29,934	10,000	19,934	6,610	22,698
Transfer to Renewal and Replacement Fund	(975,126)	(1,950,252)	(1,950,252)	-	(815,394)	(1,630,789)
Transfer to General Fund	(1,273,911)	(2,547,821)	(2,547,821)	(0)	(1,273,470)	(2,546,941)
Transfer for Organizational Support	(39,253)	(78,506)	(78,506)	(0)	(38,825)	(77,650)
Transfer to Capital Projects Fund	(123,750)	(247,500)	(247,500)	-	(103,750)	(207,500)
Other Capital Spending	(439,331)	(878,663)	(1,358,696)	480,033	(411,947)	(181,995)
Debt service sinking fund deposits	(2,340,239)	(4,542,229)	(4,655,409)	113,180	(2,424,937)	(4,846,491)
Total other sources (uses)	(5,258,064)	(10,377,880)	(10,698,784)	320,904	(5,090,762)	(9,246,464)
Net increase (decrease) in funds	\$ (106,341)	\$ (1,177,649)	\$ (1,412,696)	\$ 235,047	783,201	2,232,949
Debt service coverage	2.26	2.09				2.44

WINTER PARK ELECTRIC UTILITY METRICS
March 31, 2021

	<u>FY'21</u>	<u>FY'21</u>	<u>FY'21</u>	<u>Variance</u>	<u>FY'20</u>	<u>FY'19</u>	<u>FY'18</u>	<u>FY'17</u>
	<u>YTD</u>	<u>Annualized</u>	<u>Budget</u>	<u>from</u>				
				<u>Budget</u>				
<u>Technical Performance</u>								
Net Sales (kWh)	197,273,681	424,081,211	407,000,000	17,081,211	422,834,590	425,487,483	414,329,035	424,821,271
Average Revenue/kWh	0.1037	0.1057			0.1019	0.1098	0.1137	0.1043
Wholesale Power Purchased (kWh)	194,916,264	439,178,946	428,421,053	10,757,893	437,181,072	439,804,052	434,246,377	429,845,391
Wholesale Power Cost/kWh	(0.0458)	(0.0451)			(0.0432)	(0.0591)	(0.0632)	(0.0627)
Gross margin	0.0579	0.0606			0.0587	0.0507	0.0506	0.0415
Sold vs. Purchased kWh Ratio	101.21%	96.56%	95.00%		96.72%	96.74%	95.41%	98.83%
<u>Revenues and Expenses Directly Related to Sales of Electricity:</u>								
Electric Sales:								
Customer charges - residential	1,231,472	2,462,944	2,482,314	(19,369)	2,462,962	2,232,225		
Customer charges - commercial and public authority	269,941	539,881	548,363	(8,482)	543,319	499,223		
Demand charges	1,409,045	2,818,090	2,916,488	(98,398)	2,866,683	2,694,021		
Street Lighting	188,928	377,856	383,100	(5,244)	377,120	380,733		
Non-Fuel kWh charges	12,943,220	27,824,169	26,565,263	1,258,906	27,749,383	28,308,084	33,381,040	30,628,559
Fuel	4,423,210	10,809,040	10,054,482	754,558	9,091,571	12,623,109	13,739,354	13,663,392
Purchased Power :								
Fuel	(5,033,511)	(11,341,342)	(10,054,482)	(1,286,860)	(9,057,266)	(12,616,487)	(13,739,354)	(12,619,342)
Non-Fuel	(2,671,170)	(6,018,594)	(5,466,115)	(552,479)	(6,708,454)	(9,916,779)	(10,180,683)	(10,778,312)
Transmission Power Cost	(1,225,632)	(2,451,265)	(2,735,462)	284,197	(3,139,275)	(3,468,020)	(3,510,746)	(3,558,875)
Net Revenue from Sales of Electricity	11,535,502	25,020,780	24,693,950	326,830	24,186,043	20,736,109	19,689,611	17,335,422
<u>Other Operating Income (Expenses):</u>								
Other Operating Revenues	174,010	348,020	200,500	147,520	255,681	319,801	350,997	276,212
General and Administrative Expenses	(1,018,837)	(2,037,674)	(2,338,326)	300,652	(2,100,245)	(2,011,213)	(1,804,767)	(1,705,609)
Operating Expenses	(2,587,518)	(5,175,036)	(6,094,378)	919,342	(5,421,884)	(5,721,815)	(5,616,455)	(7,170,834)
Total Other Operating Income (Expenses)	(3,432,345)	(6,864,690)	(8,232,204)	1,367,514	(7,266,447)	(7,413,227)	(7,070,224)	(8,600,231)
Net Operating Income	8,103,157	18,156,090	16,461,746	1,694,344	16,919,595	13,322,883	12,619,387	8,735,191

WINTER PARK ELECTRIC UTILITY METRICS
March 31, 2021

	<u>FY'21</u>	<u>FY'21</u>	<u>FY'21</u>	<u>Variance</u>	<u>FY'20</u>	<u>FY'19</u>	<u>FY'18</u>	<u>FY'17</u>
	<u>YTD</u>	<u>Annualized</u>	<u>Budget</u>	<u>from</u>				
				<u>Budget</u>				
Nonoperating Revenues (Expenses):								
Investment Earnings	(31,664)	(63,328)	(30,000)	(33,328)	(35,720)	(386,874)	(34,021)	(35,398)
Principal on Debt	(1,505,000)	(3,010,000)	(3,010,000)	-	(2,915,000)	(2,670,000)	(2,530,000)	(2,450,000)
Interest on Debt	(873,544)	(1,747,088)	(1,769,588)	22,500	(1,854,026)	(2,218,854)	(2,913,548)	(2,995,826)
Miscellaneous Revenue	34,986	69,973	-	69,973	36,910	22,635	83,427	21,910
Proceeds from Sale of Assets	4,149	8,298	25,000	(16,702)	55,398	25,886	32,599	18,592
Contributions in Aid of Construction (CIAC)	178,090	356,181	500,000	(143,819)	264,227	479,648	789,480	498,577
Residential Underground Conversions	47,585	95,170	70,000	25,170	92,280	68,245	81,158	94,004
Capital (including the costs of improvements paid for by CIAC revenues)	(725,991)	(2,703,600)	(2,703,600)	-	(1,058,970)	(2,174,625)	(1,678,010)	(1,546,321)
Reimbursement of Hurricane Irma recovery costs	-	-	-	-	356,943			
Reimbursement of Fairbanks Distribution Line Costs	29,881	29,881	-	29,881	2,092,676	1,333,048		
Undergrounding Fairbanks Distribution Lines	(167,808)	(167,808)	-	(167,808)	(3,260,841)	(1,333,048)	(1,029)	-
Undergrounding of Power Lines	(2,613,310)	(5,226,620)	(5,000,000)	(226,620)	(4,171,735)	(3,851,032)	(4,429,125)	(3,303,800)
Total Nonoperating Revenues (Expenses)	(5,622,626)	(12,358,942)	(11,918,188)	(440,754)	(10,397,857)	(10,704,970)	(10,599,071)	(9,698,262)
Income Before Operating Transfers	2,480,531	5,797,148	4,543,558	1,253,590	6,521,738	2,617,913	2,020,317	(963,071)
Operating Transfers In/Out:								
Transfers from Water and Sewer Fund	74,180	148,360	148,360	-	181,995	188,431	146,561	1,151,088
Transfers to General Fund	(1,122,674)	(2,413,423)	(2,280,488)	(132,935)	(2,376,904)	(2,577,382)	(2,557,836)	(2,463,692)
Tranfers for organizational support	(57,909)	(115,817)	(115,817)	-	(123,198)	(126,258)	(120,705)	(118,947)
Tranfers to capital projects	(68,750)	(137,500)	(137,500)	-	(132,500)	(99,615)	(122,500)	(179,771)
Total Operating Transfers	(1,175,152)	(2,518,380)	(2,385,445)	(132,935)	(2,450,607)	(2,614,824)	(2,654,480)	(1,611,322)
Net Change in Working Capital	1,305,379	3,278,768	2,158,113	1,120,655	4,071,131	3,089	(634,164)	(2,574,393)
<u>Other Financial Parameters</u>								
Debt Service Coverage	3.39	3.80			3.38	2.59	2.53	1.67
Fixed Rate Bonds Outstanding	52,935,000				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	52,935,000				55,945,000	56,595,000	63,185,000	65,715,000
Principal Retired	3,010,000				2,915,000	2,670,000	2,530,000	2,450,000
Cash Balance					(1,751,415)	(4,187,304)	(2,377,803)	(324,693)
Current year change in cash balance								
<u>Fuel Cost Stabilization Fund Balance:</u>								
Beginning Balance	1,320,208						1,998,073	2,127,701
Fuel Revenues	4,418,401						13,516,532	13,821,741
Fuel Expenses	(5,033,511)						(14,211,039)	(13,951,369)
Ending Balance	705,099						1,303,566	1,998,073
Current year change in fuel stabilization fund	(615,109)						(694,507)	(129,628)

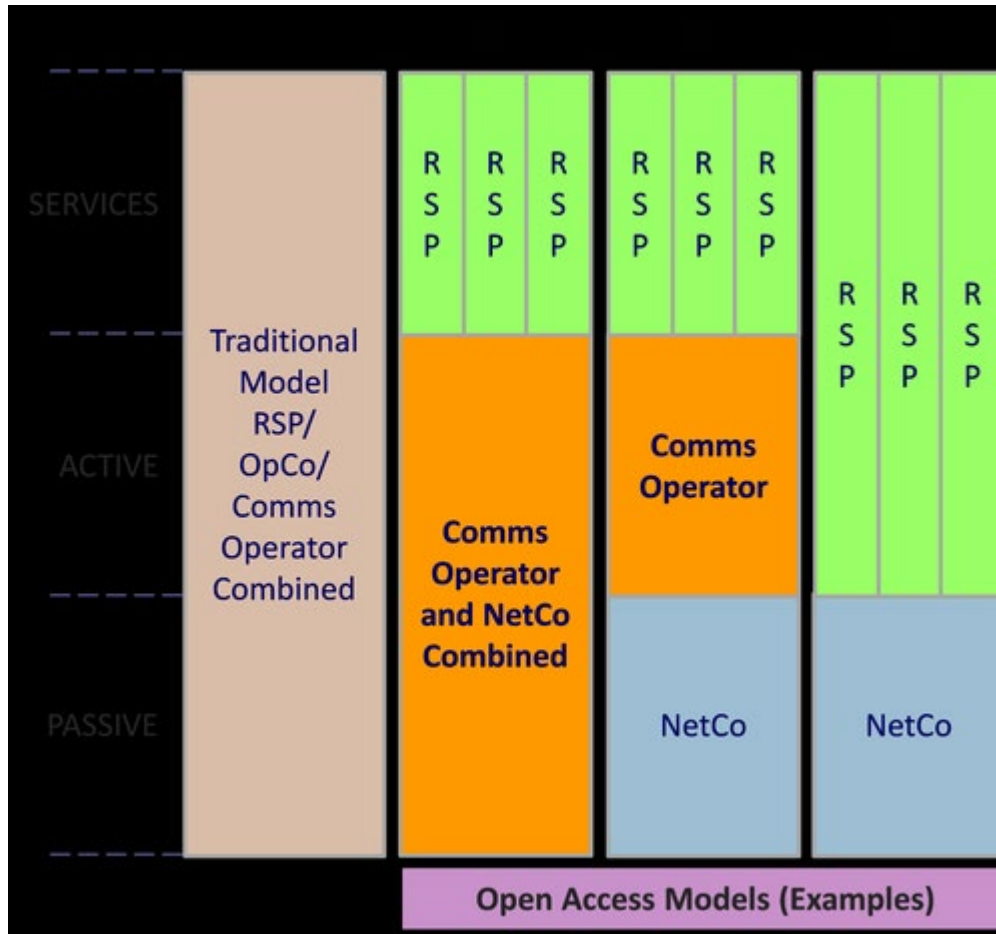
Notes

Fiscal Years run from October to September; FY'20 is 10/1/20 to 9/30/21

Broadband/Fiber Network Overview

Broadband Network Structure

There are three basic segments of a broadband network – (1) Ownership of the infrastructure; (2) Operations and Maintenance of the network; (3) retail service provider (RSP) also known as the internet service provider (ISP). The diagram below illustrates the various ways that a broadband network can be operated.



Open Access Networks

Open access networks provide the most flexibility to municipal governments and create competition at the operations & maintenance (O&M) and RSP segments. “The essence is to have an open market on the network that makes that network much more attractive to the customer and hence better for the fiber owner”¹. Open access is the opposite of the traditional model where a provider controls all three segments.

For municipalities, the outsourcing of the O&M and RSP segments lessens the business risk of a start-up operation. The municipality can always assume responsibility for these segments in the future.

¹<https://www.lightreading.com/gigabit/fttx/debunking-the-open-access-myths/a/d-id/720514>

Broadband/Fiber Network Overview

<https://www.utopiafiber.com/> Good example of an “open” broadband system.

<https://muninetworks.org/content/open-access> Open Access explained. Community examples. Two-tier versus Three-Tier.

Florida Fiber Legislation

1. Florida Statutes

- a. [§ 350.81](#) This is the main legislation on broadband networks owned by municipalities.
 - **Highlights**
 - Four year Business Plan required
 - At least two public hearings
 - City Commission has authority to approve service
 - General Revenue Bonds
 - <15 year maturity no citizen vote; >15 year maturity required citizen vote
 - Pledged Revenue Bonds – such as revenue from the broadband service
 - *Note: there appears to be no restriction to using other City funds.*
 - **Key Provision – 350.81(2)(l)**
 - If, after 4 years following the initiation of the provision of communications services by a governmental entity or 4 years after the effective date of this act, whichever is later, revenues do not exceed operating expenses and payment of principal and interest on the debt for a governmental entity’s provision of communications services, no later than 60 days following the end of the 4-year period a governmental entity shall hold a public hearing at which the governmental entity shall do at least one of the following:
 1. Approve a plan to cease providing communications services;
 2. Approve a plan to dispose of the system the governmental entity is using to provide communications services and, accordingly, to cease providing communications services;
 3. Approve a plan to create a partnership with a private entity in order to achieve operations in which revenues exceed operating expenses and payment of principal and interest on debt; or
 4. **Approve the continuing provision of communications services by a majority vote of the governing body of the governing authority.**
(The highlighted sentence appears to be an out for the City Commission to avoid implementing Nos. 1-3)
- b. [§§ 125.421 166.047 196.012 199.183 212.08](#) – minor legislation regarding municipal broadband networks

Broadband/Fiber Network Overview

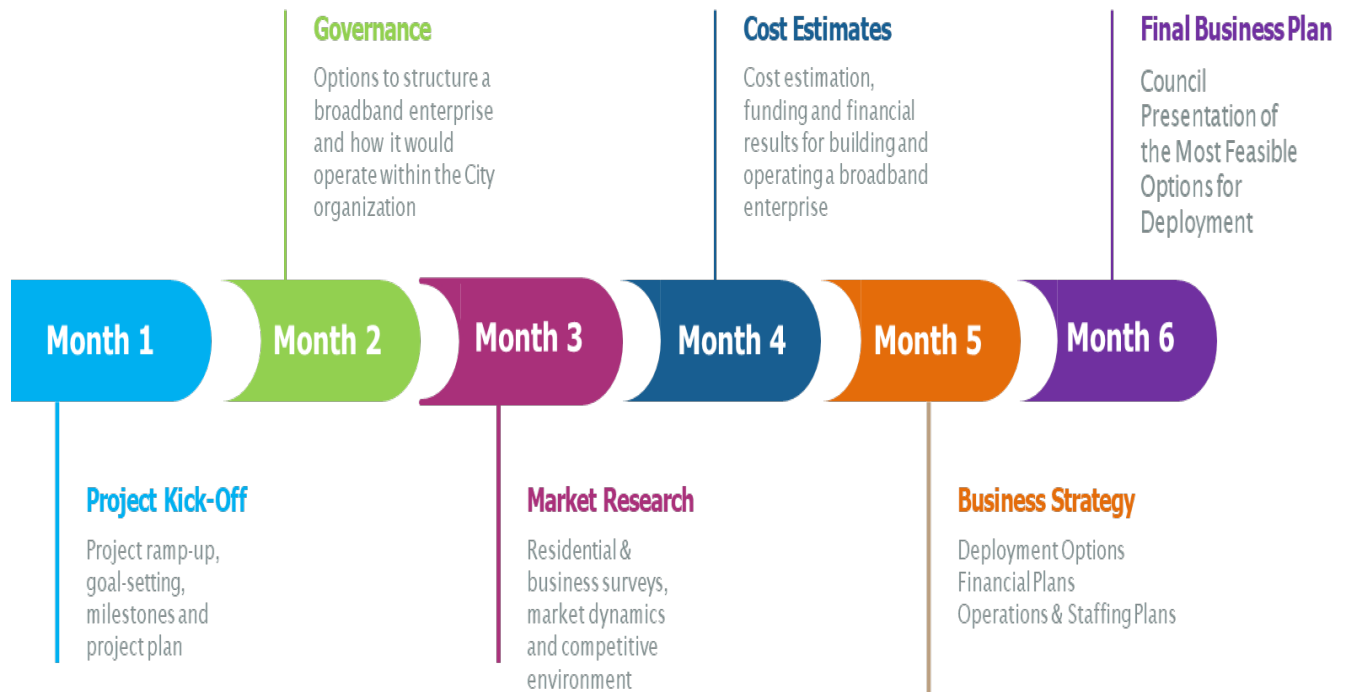
Business Plan

The business plan is required by Florida Statutes. The plan needs to cover at least four years. The plan needs to include the following:

- a. Geographic area
- b. Services to provided
- c. Competition
- d. Capital investment
- e. Financing
- f. Revenues and expenses
- g. Projected cash flows

Estimated time to create the plan with an advisor is 5-6 months.

Example of Broadband Business Plan Project Timeline



Timing

Winter Park Electric Utility is currently undergrounding the electric lines and is approximately 65% complete. The remaining undergrounding is scheduled to be completed by 2026. The most cost effective and efficient installation of a broadband network would be to mirror the current undergrounding program where feasible. Therefore, action now is important to seize the opportunity.

In addition, there is pending federal legislation that would provide significant funding to build a broadband network owned by local governments. The City needs to have a “shovel ready” business plan to quickly access the federal funds when they become available.

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Subject: [External] Broadband / Fiber Network
Date: Tuesday, April 27, 2021 3:22:22 PM
Attachments: [Broadband Network Structure 3-2021a.pdf](#)

[Caution: This email originated from outside the City of Winter Park email system. Before clicking any hyperlinks, verify the real address by hovering over the link. Do not open attachments from unknown or unverified sources.]

All, attached is a short synopsis of the potential to provide a broadband network in Winter Park. A few other Florida municipalities have broadband networks, but not completely within their city limits.

As you will read, there is state legislation that guides the development of a broadband network. The legislation provides a process for a municipality to install a broadband network which I summarize.

Please let me know if you have any questions or would like to discuss further. I have accumulated substantial research on this and would be happy to provide it.

Cheers,
Michael