CALL TO ORDER. Chm Seidel called the Utility Advisory Board meeting to order at 12:05 pm.

ADMINISTRATIVE ITEMS

Approval of Minutes:
Chm Seidel asked for approval of the minutes from the September 10, 2013, regular meeting. Mr. Smith moved to approve as presented, seconded by Ms. Lindsey, motion carried 7-0.

NEW BUSINESS

Duke Energy Territorial Agreement

Mr. Warren announced that the territorial agreement is on the agenda for the next City Commission meeting. He is requesting that the Board, if they agree, provide a recommendation to the Commission to approve. He provided the history of the electric utility purchase explaining that no territorial agreement was ever negotiated between Progress Energy and the City. The new Ravaudage Development offered an opportunity for the City’s territory to grow as much as 10%. The territorial negotiations included the following:

- Bellows started requesting PEF to remove facilities and requesting City to serve (e.g. Ale House).
- Ultimately PEF refused and Bellows removed PEF facilities himself.
- PEF became aware of errors in original customer transfers; ~30 customers were incorrectly transferred and/or served.

City’s Requests:
- Inclusion of Ravaudage in City’s territory  -yes
- Right to serve residents along Westminster St. and Berkshire Ave. (swapped for Stonehurst customers at the time of acquisition) – no “Duke” not in the business of selling its customers
- Right to serve city facilities inside the City within reach of City owned electric distribution –no, but either party can serve electric facilities in the other’s territory

Key Elements:
- Memorializes boundary set at the time of arbitration/distribution system acquisition
- Expands City’s territory to include Ravaudage
- Duke to continue to serve until service is terminated (prompted by development)
- When new customers are connected, City to serve. After 12 months City to pay Duke 2.5 x annual revenues (going concern).
- Going Concern due at approval for 11 extraterritorial accounts along Lewis Dr. ($50,000)
City and PEF can serve electric facilities within the territory of the other.
No other provision for growth of territory
20 year term

Options
1. Approve the Agreement
2. Continue without an agreement:
   a) FPSC could order agreement
   b) Need to return 9 “temporary” extra territorial accounts
   c) Give Bellows to Duke

Mr. Warren responded to questions. Mr. Warren stated that the agreement is a financial plus for the City so he is recommending approval. Mr. Reker moved to recommend approving the territorial agreement, as outlined in Mr. Warren’s PowerPoint presentation, to the City Commission, seconded by Mr. Whiting, motion carried unanimously 7-0

**ACTION ITEMS**
No items

**REPORTS**

**Financial Report**
Finance Director Wes Hamil provided the financial report. Mr. Hamil responded to questions.

**Usage Graphs Electric, Water and Wastewater**
Mr. Reker reviewed the water and sewer graphs which cover changes in water sales, irrigation sales and the consumptive use permit. Mr. Zusi commented that Mr. Heller is working on moving Parks irrigation from potable to non-potable water. Mr. Zusi responded to questions.

He also provided electric graphs which cover the Monthly % Change in kWh consumption from Prior Year’s month, Moving Total 12 Months kWh Sales, and Residential kWh vs Heating and Cooling Degree Days: Dec – Feb Fiscal Year 2006-2013, Residential kWh Sales vs Degree Days. Mr. Reker responded to questions.

**Water and Wastewater Report**
Mr. Zusi reported that he and Delsia Margraf met with Orange County to discuss cleaning up the existing inter-local agreements. Currently billing of water and sewer in some areas of Orange County is inefficient and takes excessive staff time to prepare reports and billing documents. Changing or eliminating customers will simplify the process.

Mr. Zusi announced that City representatives attended the National Water Reuse Conference in Denver. They brought back a national award, National WateReuse Project of the Year - Winter Park Estates Wastewater Treatment Facility Award.

**Electric Utility Report**
Mr. Warren presented the reliability indicators. He stated that it has dropped due to an active summer season. An error was found and corrected in the SAIDI calculations which caused SAIDI to drop.

Mr. Warren reviewed the fuel adjustment including under recovery, consequences of higher natural gas prices, and impact to rates.
## F/A Update
### July-August 2013

<table>
<thead>
<tr>
<th>Description</th>
<th>July-August</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Balance</td>
<td>-$26,987.84</td>
</tr>
<tr>
<td>Fuel Revenues Collected</td>
<td>$4,070,575.84</td>
</tr>
<tr>
<td>Fuel Cost Purchased Power</td>
<td>$3,749,109.64</td>
</tr>
<tr>
<td>Over/(Under) Collected</td>
<td>$321,466.20</td>
</tr>
<tr>
<td>Cumulative to date (Includes balance of NEIL refunds)</td>
<td>$294,478.36</td>
</tr>
</tbody>
</table>

## Oct-Dec 2013
### Qtrly Fuel Adj.

<table>
<thead>
<tr>
<th>Description</th>
<th>($)</th>
<th>$/MWh</th>
</tr>
</thead>
<tbody>
<tr>
<td>True-up added to bring balance to $500k</td>
<td>205,522</td>
<td>1.99</td>
</tr>
<tr>
<td>Estimated Fuel Cost Purchased Power</td>
<td>3,899,015</td>
<td>37.71</td>
</tr>
<tr>
<td>Total Desired quarterly Recovery</td>
<td>4,104,537</td>
<td>39.69</td>
</tr>
<tr>
<td>Estimated Retail Sales (MWh)</td>
<td>103,408</td>
<td></td>
</tr>
<tr>
<td>Quarterly Fuel Adjustment (System avg)</td>
<td>39.69</td>
<td></td>
</tr>
<tr>
<td>Previous Qtr</td>
<td>51.29</td>
<td></td>
</tr>
<tr>
<td>Same Qtr Last year (Oct-Dec)</td>
<td>37.74</td>
<td></td>
</tr>
</tbody>
</table>

## Rate Comparison
### 1,000 kWh

<table>
<thead>
<tr>
<th>Description</th>
<th>WPE Oct-Dec</th>
<th>Duke Oct-Dec</th>
<th>Difference</th>
<th>$</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Bill</td>
<td>$74.20</td>
<td>$79.23</td>
<td>+$5.03</td>
<td>+6.8%</td>
<td></td>
</tr>
<tr>
<td>Fuel Adjustment</td>
<td>35.79</td>
<td>33.93</td>
<td>-$1.86</td>
<td>-5.2%</td>
<td></td>
</tr>
<tr>
<td>Electric Bill *</td>
<td>$109.99</td>
<td>$113.16</td>
<td>+$3.17</td>
<td>+2.9%</td>
<td></td>
</tr>
</tbody>
</table>

* Excludes franchise fee and taxes
Bulk Power Supply Update

Mr. Warren reviewed the current status of the portfolio parts

OUC
- Construction of distribution interconnection is underway
- Initial Coordinating meeting between the parties was held on October 2, 2013
- Design of WPE side is underway, some circuit reconfiguration is required to maximize load on OUC interconnection. Reconfiguration to be accomplished near term to allow evaluation of load
- Parties expect January 1, 2014 date to be achieved. Biggest problem for OUC is Jan 1, holiday

FPL
- Redesignation of resources on Duke’s transmission underway
- Initial reaction, Duke has denied request for 24 MW of firm capacity in 2014
- Deal with transmission on a month to month basis
- Discuss backstop with Seminole & OUC
- Implement Schedule A with other utilities

Clean Footprint
- Clean Footprint requested meeting to discuss reconfiguration of Central canopy solar to a) reduce the size and b) to add roof mounted and ground mounted PV cells.
- Disclosed that bank will not finance the project as approved; Initial 10 year term with 5 year renewable terms is problematic
- Clean Footprint authorized to proceed with a roof mount facility ~ 1.025 MW at contracted price (i.e. 6.5¢/kWh)

Covanta
- Covanta lost waste stream contract with Lake County. Requested delay in City Commission consideration.
- Current Negotiations:
  - Begin delivery with 180 days’ notice after July 1, 2014 (January 1, 2015 earliest)
  - Seller wants one time right to terminate up to March, 2016. We are evaluating.

Seminole
- Contract billing mechanism needs to be adjusted to accommodate the addition of FPL and the elimination of the PEF 40 MW.
- Can Seminole backstop the Duke Transmission issue?

GRU
- Negotiations are continuing.
- Expected start date not until January 1, 2015

Mr. Warren responded to questions.

Underground Update
The City Commission held a strategic planning meeting on September 6, 2013. Board requested that undergrounding maps be included on the City’s website.
**Utility Billing**
Ms. Margraf reported that the conversion to the new payment platform is continuing.

**Communications**
Ms. Howard is working on solving service problems. She is working on the Fairbanks opening which will take place sometime in November.

**Action Items**
- Edyth Bush Foundation Project update
- Power Supply Update
- Undergrounding Update

**ADJOURNMENT**
Chm. Seidel adjourned the meeting at 1:48 p.m. Next regular meeting date, November 12, 2013.

Respectfully submitted,

**Debbie Wilkerson**
Debbie Wilkerson, Recording Secretary