ADMINISTRATIVE ITEMS

Approval of Minutes:
Chm Johnson asked for approval of the minutes from the October 14, 2014, regular meeting. Mr. Reker moved to approve as presented, seconded by Mr. Joshi, motion carried 9-0.

Citizen Comments:
None

NEW BUSINESS

2015 Water Forecast
Mr. Zusi provided a PowerPoint presentation and reviewed the forecast. He explained that a model is used to forecast rates, how the model is utilized, history of water and irrigations sales, the difference between water meter and electric meter billing, the difference between inside and outside the city rates, sizes of rate blocks and how they vary with the size of the meter, residential blocks and customer count over the last 5 years. Mr. Hamil and Mr. Zusi responded to questions.

Communications Report
Ms. Howard reminded the Board of their discussion last meeting regarding doing some marketing on water savings and free irrigation review and help. She reported that articles on those issues are included in the December Update. She did an interview with Fox 35 and Channel 2 regarding the Fairbanks Business Façade Improvement program and had the opportunity to mention the sewer improvements as well. She provided information on the Concours d’Elegance event, Feed the Need campaign and where to find election information.

ACTION ITEMS

Reclaimed Water Fees
Mr. Zusi provided a history of reclaimed water in Winter Park. He also explained that Winter Park has a small processing plant and that most of the sewer goes to other facilities for processing. He explained that in the beginning it was difficult to find users who would take reclaimed water so agreements were
long term and at no cost to the users. The agreements have expired and are being renegotiated with shorter terms and fees for the users with the exception of Interlachen Country Club.

REPORTS

Financial Report
Mr. Hamil reviewed the September financial report for water and sewer fund. He reported that sales in terms of thousands of gallons are projected to be about 3.2% below forecast. Revenues are projected to be about 1.5% below budget estimates. Staff believes budgetary spending savings will be adequate to cover this projected shortfall. It does not appear any further adjustments are necessary. Bottom line reflects a positive $1,929,845 and debt service coverage is projected to be a strong 1.93 for the fiscal year.

He reported electric sales in kWh are 3% over the prior year and on track to exceed budget. Annualized sales in terms of both kWh and dollars take into consideration the seasonality of electric sales. Fuel costs were under recovered by about $160,000 in 2014. The balance in our fuel cost stabilization fund at September 30, 2014, was $540,000, which is within our target range of $500,000 - $1,000,000. Projected net change in working capital for the fiscal year is ($146,669). This is far better than the budgeted decrease of ($2,971,351). The large reduction budgeted was due to the rollover of unspent underground funds from the prior fiscal year. Debt service coverage is projected to be a strong 2.62 for the fiscal year. Mr. Hamil commented that these are not final numbers but should change very little. Mr. Hamil responded to questions.

Usage Graphs Water, Wastewater and Electric
Mr. Reker reviewed the water and sewer graphs which cover changes in water sales, irrigation sales and the consumptive use permit.

Mr. Reker also provided electric graphs that 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. Mr. Reker responded to questions.

Water/Wastewater Report
None

Electric Utility Report
Mr. Warren summarized what the SAIDI measures and how the number is determined. He explained that due to his decision regarding the OUC distribution interconnection and Duke Energy issues and the procedures to restore service there has been a sudden jump in the SAIDI. Due to potential legal considerations he decided that if there is an outage on the OUC feeder he will not connect to a Duke feeder which means customers may be out longer thus causing the SAIDI to rise. He will provide the Board information about large outages. Mr. Warren responded to questions.

He reviewed the quarterly fuel adjustment as summarized in the following table.

<table>
<thead>
<tr>
<th></th>
<th>October 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Balance</td>
<td>$591,112</td>
</tr>
<tr>
<td>Fuel Revenues Collected</td>
<td>$1,743,774</td>
</tr>
<tr>
<td>Fuel Cost Purchased Power</td>
<td>$1,372,341</td>
</tr>
<tr>
<td>Over/(Under) Collected</td>
<td>$371,433</td>
</tr>
<tr>
<td>------------------------</td>
<td>----------</td>
</tr>
<tr>
<td>Ending Balance</td>
<td>+$962,545</td>
</tr>
</tbody>
</table>

He commented he is looking at changing to a purchased power adjustment and that the 5% number rounded up to the next 100,000 is too small. We need to look at increasing the range to between 500,000 - 1.5M.

Mr. Warren reported that customers’ bills are still less than they would have been if the city continued with Duke Energy.

Fairbanks Update – FDOT has a minor change to the contract and Mr. Warren will meet with the attorney to discuss.

Mr. Warren reported that he conducted interviews and negotiations are under way regarding Utility Consultant Services. This is a short term contract to provide consulting services associated with planning, construction, and O&M of the electric utility. The options at the end of the contract are renew, terminate or hire as Jerry’s replacement. He will probably announce the consultant at the next meeting, if not sooner.

**Utility Billing**
Ms. Margraf reported there are no issues at this time; all is going well.

**Sustainability Report**
Ms. Gulden reported that the City received a grant for energy efficiency workshops, which are in the planning stage. She submitted the Georgetown Energy Prize program plan and we should know within the next month or two if the City made the semi-finals. The Sustainability Action Plan will go before the City Commission on November 24, as a non-action item. It will be submitted at a later date for approval because the Commission wanted time to review before voting. She mentioned that we are moving forward with the transition of the Energy Conservation program from Electric to Sustainability.

**Action Items**
- Septic tank maps

**ADJOURNMENT**
Chair Johnson adjourned the meeting at 1:45 p.m. Next regular meeting date is December 9, 2014.

Respectfully submitted,

**Debbie Wilkerson**
Debbie Wilkerson, Recording Secretary
Approved 12/9/14