

**CITY OF WINTER PARK
CITY COMMISSION & UTILITIES ADVISORY BOARD
JOINT MEETING**

Joint Meeting

City Hall, 401 Park Avenue South,

MINUTES

March 23, 2005

11:00 a.m.

The meeting of the Winter Park City Commission and the Utilities Advisory Board was originally scheduled for 11:00 a.m., due to a lack of quorum of the Utilities Advisory Board, the meeting was called to order by Mayor Kenneth AKip@Marchman at 12:00 p.m.

Members present:

- Commissioner John Eckbert
- Commissioner Barbara DeVane
- Mayor Kenneth Marchman
- UAB Board Member Julie Carmody
- UAB Board Member Steve Miller
- UAB Board Member John Melaugh
- UAB Board Member Stanley Wilson
- UAB Board Member Patricia Fuselier
- UAB Board Member Mike Whiting

Absent:

- Commissioner Douglas Metcalf
- Commissioner Douglas Storer
- UAB Board Member John Weesner
- UAB Board Member Joe Regner

Also in attendance: City Manager James Williams; Assistant City Manager Randy Knight; City Clerk Cynthia Bonham and Deputy City Clerk Tania Haas.

CALL TO ORDER

Utilities Advisory Board business: Approval of February 23, 2005, UAB minutes.

Motion by UAB member Wilson to approve the February 3, 2005, minutes. Seconded by UAB member Miller. The motion carried unanimously.

Joint Meeting with the City Commission business: Discuss the governance issue.

Assistant City Manager Randy Knight explained that the bond rating presentations are scheduled for next week and the bonds will be issued in May. Mr. Knight reported that the electric rates will be brought to the City Commission for formal adoption at the second meeting in April. He said the rate tariffs will be sent to the Public Service Commission by the end of March. He explained that the PSC requires 30 days to review the rates. Mr. Knight explained that at the preliminary meeting, PSC representatives stated they did not see a problem as long as the City is adopting Progress Energy rates. Discussion ensued regarding the PSC's authority over rate structure.

Mr. Knight commented that staff intends to propose the adoption of Progress Energy rates and to track the rates for a period of three years. He said the tracking period will provide cost data that will be used to structure rates based on the City's cost. Mr. Knight explained the current issue that involves a letter sent by Progress Energy to load management customers that requires removal of load management equipment. He explained why load management is not something the City can feasibly offer. It was further discussed whether the City should offer load management services.

Consensus was to issue a two year credit and to let customers know that the City is no longer offering load management services. Commissioner DeVane suggested that staff draft a letter to load management customers advising that the City is not offering the service for new or current customers.

Mr. Knight reported that staff continues to try and obtain the building data from Progress Energy in an effort to upload the building system. He said the last attempt was incomplete and Progress Energy has promised an additional attempt by the end of the month. He said the system is pending the data from Progress Energy. Mr. Knight explained the process needed for Progress Energy to send final bills. Discussion ensued regarding the final buy out price including stranded and investment costs. Responding to UAB member Wilson's inquiry, Mr. Knight provided an update on the City's tree trimming contract.

Mayor Marchman asked that attendees address the different governance structures. UAB Member Mike Whiting provided comments related to the benefits of the creation of an independent board to govern the utility system. UAB Member Steve Miller expressed his agreement with the proposed matrix and his concern with the Commission governing the system. Mr. Miller inquired into the interaction between the City Manager, the Electric Utility Director, and the Commission. He expressed his preference of appointing a point person to interact with the board.

UAB Member Julie Carmody spoke about combining the Water and Utility boards and similarities between the two. She said appointees to the governance board should have the knowledge and experience of both facilities and what has transpired. Commissioner Eckbert inquired whether the governance structure of an independent board allows the opportunity for the Commission to override certain issues. He expressed his preference that the Commission be involved with the utility budgeting issue and that he did not feel passionate with either governance model. Commissioner Eckbert stated that the constitution of the board was a critical point.

UAB Member Fusilier spoke in favor of an independent board. She noted the inaccuracies within the governance survey of Florida municipalities. UAB Member Wilson expressed his preference that major decisions remain with the elected officials. He said the Utilities Board should remain investigative and advisory.

Commissioner DeVane thanked board members for their efforts. She spoke of immediate short and long run issues. She said she was unprepared to make a decision on an independent board because open discussions are needed on policy matters. She wanted the process to remain in its current state and for the board to focus on policy decisions. She preferred to address this at a future date so the Commission can more closely monitor how the new electric distribution entity is progressing.

UAB Member Melaugh expressed his concern with the need to make decisions, but did not want to see separation between the City and the electric utility system. Mayor Marchman expressed his preference of a hybrid situation; ultimate control by elected officials; and on a short term solution, a strong UAB board. He asked the board to provide recommendations on technical and policy matters. Discussion ensued that communication between the board and the Commission is essential.

Regarding the May 14, 2005, Town Meeting, Mayor Marchman reported that the electric issue will be the primary topic for discussion. Discussion ensued regarding the need to address undergrounding issues. Mayor Marchman suggested scheduling the Town Meeting for a Monday night as well to provide the opportunity for as many residents to attend. UAB Member Carmody suggested including a communiqué of the Town Meeting in the water bills. UAB Member Miller spoke about the number of members for the independent board. Commissioner Eckbert commented on the need to manage expectations. Commissioner DeVane suggested the UAB meet more frequently. Mayor Marchman suggested a subcommittee of the UAB to expedite the expertise selection process.

Joint Commission/UAB meeting adjourned

Mayor Marchman adjourned the joint session at 1:23 p.m.

UAB Meeting

Remaining UAB members discussed the creation of a subcommittee of the UAB. UAB Members discussed appointing UAB Board members John Weesner, John Melaugh, Mike Whiting, and Patricia Fusilier to the UAB subcommittee.

Motion by UAB Member Steve Miller to appoint UAB members John Weesner, John Melaugh, Mike Whiting, and Patricia Fusilier to the UAB subcommittee to handle the transition of electrical utility issues, that all UAB members be invited to subcommittee meetings in a non voting status, with final subcommittee decisions directed to City Staff and the City Commission, and such subcommittee to stay in existence through December 31, 2005, at which time the subcommittee's workings will be reviewed, seconded by UAB member Fusilier. The motion carried unanimously.

Assistant City Manager Knight spoke of the immediate issues that need to be addressed by the subcommittee such as the letter that needs to be drafted and sent to the load management customers.

Consensus was to schedule a subcommittee meeting for March 31, 2005, at 1:00 p.m., in the conference room of the Public Works Administration Building.

UAB Member Carmody suggested that the load management letter be as brief and to the point as possible. Assistant City Manager Knight noted he would forward an agenda with details to UAB members for review. Discussion ensued regarding undergrounding expectations.

Readdressing the governance issue, First Southwest representative Jerry Warren spoke about the governance model and the need to set a definitive date to implement procedures and processes.

Motion by UAB Member Miller that the Assistant City Manager Knight present the proposed or existing cost allocations of the new electric utilities to the UAB subcommittee within the next three months for approval, seconded by UAB Member Carmody. The motion carried unanimously.

Motion by UAB Member Miller that the UAB proposes the adoption of the hybrid model as presented to be reviewed and adopted effective July 1, 2006, seconded by UAB Member Carmody. No vote was taken.

UAB Member Melaugh stated he was unsupportive of the motion. Discussion ensued regarding whether the model should be reviewed and adopted and if the motion should be made to the UAB or to the Commission.

Motion by UAB Member Miller that the full UAB review the governance of the new electric utility in the July 2006 timeframe, seconded by UAB Member Wilson. The motion carried unanimously.

ADJOURNMENT

The UAB meeting adjourned at 1:56 p.m.

Mayor Kenneth R. Marchman

ATTEST:

Cynthia S. Bonham