

**CITY OF WINTER PARK
UTILITIES ADVISORY BOARD**

**Regular Meeting
Welcome Center**

**July 13, 2011
12:00 p m**

MINUTES

Present: Greg Seidel, John Reker, Donald Doyle, David Smith, Linda Lindsey, Mike Whiting, Ron Ellman, Michael Smith

Absent: Dan Swanson, Katherine Johnson

City of Winter Park Staff: David Zusi, Water and Wastewater Utility Director; Jerry Warren, Electric Utility Director, Wes Hamil, Finance Director, Terry Hotard, Asst Director, Electric Utility; Mark Brown, Electric Utility, Delsia Margraf, Utility Billing Manager; Clarissa Howard, Communications Director; Debbie Wilkerson, Recording Secretary.

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

I. ADMINISTRATIVE ITEMS

A. Approval of Minutes:

Mr. Whiting moved to approve the June 8, 2011, minutes as presented, seconded by Mr. Reker, motion carried unanimously.

II. NEW BUSINESS

City Board Ordinance

Chm. Seidel introduced for discussion the City Board Ordinance. He explained the new ordinance was developed because board information was spread throughout city code and resolutions. The new master ordinance compiles all board information into a single ordinance. Mr. Warren reviewed the ordinance, specifically addressing those parts that have an impact on the Utility Advisory Board, including size, the addition of an alternate and the alternate's duties, attendance requirements, quorum requirements, guidelines for call-in participation, sunset requirements, and the new requirement of a board and member annual evaluation. Mr. Warren complimented the Board on its reputation with city leaders. Discussion ensued.

Chm. Seidel introduced Mike Smith who was appointed as the UAB alternate. Mr. Smith commented that he was very interested in clean energy and he is looking forward to serving on the Board.

Chm. Seidel announced that the City is providing a Board Orientation for new and returning board members. The orientation is scheduled for July 13, 2011, at 6:00 pm in the Commission chambers. Mr. Warren commented that this would be an informative meeting and it would be beneficial to attend.

III. ACTION ITEMS

Financials

Mr. Hamil distributed and reviewed the Monthly Financial Utilities Summary YTD May, 2011 (67% of fiscal year lapsed).

Water and Sewer Fund

- Revenue is up \$665 in comparison to the prior year, but is only 64% of the annual budget and we are 67% of the way through the fiscal year.
- Expenditures are well within budgetary constraints.
- YTD net income of \$1,662,414. After subtracting capital contributions (impact fees), net income is \$921,955 for the eight months ended May 31, 2011.
- Revenues will be short of projections because we anticipated a rate increase being implemented in FY 2011. Our current timeline for the water and sewer rate study indicates rates will be adjusted October 1, 2011.
- Although revenues will be approximately \$730K short of budget, there is contingency built into the budget as well as anticipated savings in wastewater treatment and debt service that largely offset this shortfall. The net effect of estimated negative and positive budget variances is a negative impact of about \$170 K. With a \$25M budget we should be able to have budgetary savings in other accounts that more than offset this shortfall.

Electric Fund

- Revenues are down \$1,999,352 in comparison to the prior year.
- Sales of kWh are running about 3.5% behind the prior year.
- Bulk power costs are below budget as of May 2011. The new arrangement with Seminole Electric and Progress Energy should result in these costs being significantly below budget for the year with the exception of fuel costs which will be recovered from the customer through quarterly adjustments. Although sales of KWH are running about 3.5 behind the prior year our cost of purchasing power is 17.0% below the total through May 2010.
- The large miscellaneous revenue is primarily insurance payments received from PE to offset the excess fuel costs caused by the Crystal River plant being offline.
- Net income of \$4,303,812 through May 31. After deducting \$1,183,763 in payments from PE for insurance funds, net income is \$3,120,049.

Mr. Hamil responded to questions. Ms. Lindsey requested water utility consumption be added to the UAB report.

Mr. Smith commented that he had seen sprinklers running after a heavy rainfall. Mr. Zusi stated that sensors are required, but they are not very dependable and staff is not available to enforce. Mr. Zusi commented that the water utility has a restriction on how much water they are allowed to take, so it is necessary to balance conservation and revenues.

IV. REPORTS

Communications

Ms. Howard provided statistics for the Community Conversation, meetings for residents to share their concerns and comments in person. There were about 80 participants. In order to give residents who may not attend a meeting the opportunity to share their concerns, ideas, likes and dislikes the City is going online with a blog, a survey, and an email. Ms. Howard encouraged the

Board to share this information with friends and neighbors. She commented that filters are in place to prevent derogatory, inflammatory or personal remarks.

Ms. Howard reported that the City is developing a Winter Park app for Smart Phones. This would allow people to download the app and find out information about Winter Park shopping, restaurants, and cultural events. It will also show any special deals being offered on Park Ave.

Chm Seidel asked if a message had been developed to explain the reduction in utility bills due to the NEIL refund. Ms. Margraf responded stating that there was a message on the bills and explained how it would be presented. Ms. Howard read the message.

Utility Billing

Ms. Margraf reported that this month customers will receive a “buck slip” which will inform them of changes to the billing process and information contained in their utility bills.

Electric

SAIDI/MAIFI

Mr. Brown distributed copies of the SAIDI and MAIFI graphs. He reviewed the SAIDI report commenting that the sharp rise in May was storm related. The MAIFI report does not show any momentary outages for this month. The Board discussed how momentary outages can still occur at your house. He reported that animals and vegetation are almost equally responsible for outages.

Mr. Warren responded to a question stating that the contract to replace the transformer has been awarded but it is still being review by attorneys.

KWh Update

Mr. Reker reviewed the June graphs, “monthly % change kWh consumption” and “moving total 12 month.” He stated that the cooling degree days were a little less than a year ago. He explained that there doesn’t seem to be a reason for the big swings in residential on the monthly % change graph, other than they are more impacted by weather

Mr. Reker presented a “kWh Forecast for FY 2012” PowerPoint presentation. The presentation covered the methodology used to create the forecast, residential and commercial impacts to the forecasts including a conservation and streetlight component, key factors that could change the outcome, and sales history. Board members asked questions throughout the presentation focusing on available data and assumptions in the forecast. Mr. Reker and Mr. Warren responded to questions. Mr. Warren thanked Mr. Reker for all his efforts in preparing the forecast; it has been invaluable in preparing the electric utility budget.

Electric Report

Mr. Warren presented a PowerPoint presentation that included the monthly fuel adjustment, returning ½ % of over recovery as part of the NEIL refund return to customer, electric operations center, fuel adjustment stabilization fund, creation of a fuel adjustment policy, wholesale power supply update, rate comparison 1,000 kWh residential customer, bill comparison between WPE and other municipalities for April, a rate comparison between WPE other municipal electric companies, an electric utility budget overview and an update to the rate study proforma. Mr. Warren responded to questions. The Board discussed uses for surplus electric funds, timeline for the conservation proposal and a five year work program.

Water Rate Study

The presentation on the water rate study was postponed until August 3, 2011. If information is available prior to the meeting it will be forwarded to Board members.

Customer Feedback

ADJOURNMENT

Chm Seidel adjourned the meeting at 2.01 p.m. Next meeting date August 3, 2011

Respectfully submitted,

Debbie Wilkerson

Recording Secretary

Approved August 3, 2011