



Utilities Advisory Board Regular Meeting

Agenda

August 23, 2022 @ 12:00 pm

Virtual

welcome

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assistance & appeals

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"If a person decides to appeal any decision made by the Board with respect to any matter considered at this hearing, a record of the proceedings is needed to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based." (F.S. 286.0105).

please note

Times are projected and subject to change.

-
1. **Call to Order**
 2. **Consent Agenda**
 - a. [Approval of the regular meeting minutes July 26, 2022](#) 1 minute
 3. **Public Comments (for items not on the agenda): Three minutes allowed for each speaker**
 4. **Action Items**
 - a. [Proposed Educational Plan - Clarissa Howard](#) 15 minutes
 5. **Non-Action Items**
 - a. [Septic Tank Incentive Program – David Zusi](#) 15 minutes
 - b. [RFP12-22 Roadmap to Renewable Resources \(status\) - Gloria Eby](#) 5 minutes
 - c. [UAB Strategic Plan - Dan D'Alessandro, David Zusi](#) 10 minutes
 - d. [Fuel rate discussion - Wes Hamil](#) 20 minutes
 6. **Staff Updates**
 - a. [Electric Utility - Dan D'Alessandro](#) 5 minutes
 - b. [Water & Wastewater Utility - David Zusi](#) 5 minutes
 - c. [Performance Measurement - \(attachment only\)](#) 5 minutes
 - d. [Sustainability Quarterly Report - Gloria Eby](#) 5 minutes
 7. **Board Comments**
 - a. [Broadband and Smart City Ad-Hoc Committee Update - Paul Conway](#)
 8. **Upcoming Agenda Items**
 - a. [Upcoming Board Items](#) 5 minutes
 9. **Adjournment**



Utilities Advisory Board

agenda item

item type	Consent Agenda	meeting date	August 23, 2022
prepared by	Pamela Bracko	approved by	
board approval			
strategic objective			

subject

Approval of the regular meeting minutes July 26, 2022

motion / recommendation

background

alternatives / other considerations

fiscal impact

ATTACHMENTS:

[Board Meeting Minutes-Draft2.pdf](#)



Utilities Advisory Board Regular Meeting Minutes

July 26, 2022 at 12:00 p.m.

City Hall Commission Chambers 401 S Park Ave Winter Park, Florida

Present

Chairman Michael Poole, Linda Lindsey, Leon Huffman, Mary Dipboye, Paul Conway, Fred Guitton (arrived at 12:15)

Director of Electric Utilities); Dan D'Alessandro; Director of Water & Wastewater Utility; David Zusi; Director of Finance; Wes Hamil; Assistant Director of Water & Wastewater Utilities; Jason Riegler; Director of Communications; Clarissa Howard; Senior Electrical Engineer; Mourad Belfakih; and Recording Secretary; Pamela Bracko

Also Present; Craig Shepard of Leidos

Absent: Alison Yurko (UAB Member), Justin Isler (Asst. Director of Electric Utility)

(1) Call to Order

Michael Poole called the meeting to order at 12:02 p.m.

(2) Consent Agenda

Motion made by Linda Lindsey, seconded by Mary Dipboye to approve the June 28, 2022 meeting minutes.

(3) Public Comments (for items not on Agenda)

None

(4) Action Items

- a. **Time of use (TOU) electrical rates meter update** - Mr. D'Alessandro stated that he and Mr. Isler went to a FMEA seminar that held a large session on TOU rates. Mr. D'Alessandro explained that he would like to eliminate the rate as it has a lot of administrative challenges, not functional the way the city has it. Mr. Shepard with Leidos spoke about the TOU meters and said combining the TOU class with the General Service Demand class would result in a 3% increase in costs for TOU customers. He stated that there was a discussion with the Public Service Commission and they were ok removing the TOU. The big TOU customers are Rollins, Publix, and the Hospital, etc. Mr. D'Alessandro stated the City Manager, Randy Knight needs the board to come up with a recommendation to present to the Commission for removing the TOU rates. Mr. Shepard spoke about the cost of the service study update with graphs showing the impact of 3% increase if TOU were removed from the big customers and for the residents, it would be about a 0.7% decrease. Mr. Poole suggested to recommend to the Commission to eliminate the TOU rate class. Motion was made by Fred Guitton, seconded by Paul Conway to eliminate the TOU rate class. Motion Carried unanimously with a 7-0 vote. Combination of the TOU rate class with the General Service Demand class will be part of the update of the electric cost of service study for presentation to the City Commission when complete.
- b. David Zusi discussed the Sustainability position going part time to full time and the need to get the position filled. The position would support water audits, irrigation controller installs and other functions. Michael Poole stated the Sustainability position per David Zusi's recommendation go part

time to full time. Motion made by Fred Guitton, seconded by Leon Huffman. Motion carried unanimously with a 7-0 vote.

(5) Non-Action Items

- a. **Agenda Package for the Budget Discussion** - Director of Finance; Mr. Hamil went over the financial report (budget) in detail. In depth discussion was held on the budget. Mr. Hamil discussed the index increase of 4.53% for water and wastewater. This is published each year by the Florida Public Service Commission. No action necessary by this Board or Commission for the increase. It's automatic. Ms. Dipboye asked about funding for storms. Mr. Hamil explained that FEMA reimbursed most of the city's expenses from the last storm (Irma in 2017) and the total cost was about \$860,000. The city received its last check from FEMA this month.
- b. **Review of Financial Report** - Mr. Hamil reviewed the financial report for June 30, 2022. Charts were reviewed comparing trends of revenues and expenses against the budget and prior year results. Higher fuel costs and revenues were a frequent explanation for large variances in the electric system charts. Ms. Lindsey said it would be helpful to separate fuel revenues and the cost from the rest of the budget for public consumption. Mr. Hamil will separate the information. Mr. Hamil reviewed the budget showing where the money is allocated by using pie-charts, graphs, etc.

There was much discussion regarding fuel cost recovery rates and their impact on customer bills. Mr. Hamil and Mr. D'Alessandro explained the fuel cost recovery rates are only used to recover costs and there is no profit on fuel. Currently, the fuel cost stabilization fund balance is a deficit of about \$600,000. The fuel rate increases that will go into effect August 1 are anticipated to only be enough to maintain the deficit at its current balance. The board discussed the possibility of using any anticipated non-fuel surplus in the current fiscal year to cushion the effect of any further increases in fuel rates. Staff will bring more information and options to the August board meeting.

- c. **Review of Performance Measurement Report** - Mr. Hamil reviewed the customer service calls by category such as demo's, payments made, turn on/off's, outages, disconnects, transfer calls, etc. More detailed information will be provided with the report for the August board meeting.

(6) Staff Updates

- a. **Performance Measurement** - attachment
- b. **Water and Wastewater Utility** - Mr. Zusi reported a major issue with a generator failure that caught on fire at one of the water plants. It runs the entire water plant in an emergency. To replace, the cost would be about \$300,000.00 just for parts and a long wait time or \$25,000.00 a month to rent one. The incident occurred during a weekly exercising of the generator which is done regularly. There is no insurance to cover the cost. The city may have to rely on the reserves for the cost. No one was at fault for the fire. Mr. Zusi also reported that the old water lines are being replaced due to asbestos or small galvanized pipes. The lines are being moved from the back yard to the front yard, replacing them with properly sized lines for fire protection. The system that was bought years ago did not keep good records in regards to when the pipes were originally set. The department is building a data base as lines are being replaced. Ms. Lindsey asked if homeowners will be charged for this, Mr. Zusi responded that residents are not charged and the cost is built into the budget. Ms. Lindsey asked about the Kennedy Ave force main. Mr. Zusi explained that a new contact at Orange County said that utilities under the road are not allowed. The city is waiting for future meetings with Orange County in order to decide to place the utilities under the road. Ms. Lindsey asked who funds the electric energy audits. Mr. Hamil stated that they are funded by electric utility.
- c. **Electric Utility** - Mr. D'Alessandro reported that the solar awning will be complete in about 6 weeks, before the end of the fiscal year.

(7) Board Comments

- a. Paul Conway had no updates on Broadband at this time due to not meeting this past month. We will keep it on the agenda for the next meeting. Paul Conway would like to see the notes get organized that other departments may have in regards to Smart City for future discussion.
- b. Mr. Poole wanted the status of the consultant for doing a business plan. Mr. Zusi responded the status cannot piggy back that type of contract and has to go through competitive selection.

(8) Upcoming Agenda Items

- a. Septic Tank Incentive Program - Dave Zusi
- b. RFP12-22 Roadmap to Renewable Resources (status) - Gloria Eby
- c. UAB Strategic Plan - Dan D'Alessandro, David Zusi
- d. Fuel Rate Discussion - Wes Hamil

(9) Adjournment

Meeting adjourned at 2:08 p.m. Next meeting in August 22, 2022.

Minutes approved the board on mm/dd/yyyy.
/s/ Recording Secretary Pamela Bracko



Utilities Advisory Board

agenda item

item type	Action Items	meeting date	August 23, 2022
prepared by	Clarissa Howard	approved by	
board approval			
strategic objective			

subject

Proposed Educational Plan - Clarissa Howard

motion / recommendation

background

alternatives / other considerations

fiscal impact



Utilities Advisory Board

agenda item

item type Non-Action Items	meeting date August 23, 2022
prepared by David Zusi	approved by
board approval	
strategic objective	

subject

Septic Tank Incentive Program – David Zusi

motion / recommendation

background

alternatives / other considerations

fiscal impact



Utilities Advisory Board

agenda item

item type Non-Action Items	meeting date August 23, 2022
prepared by Pamela Bracko	approved by
board approval	
strategic objective	

subject

RFP12-22 Roadmap to Renewable Resources (status) - Gloria Eby

motion / recommendation

background

alternatives / other considerations

fiscal impact



Utilities Advisory Board

agenda item

item type	Non-Action Items	meeting date	August 23, 2022
prepared by	Pamela Bracko	approved by	
board approval			
strategic objective			

subject

UAB Strategic Plan - Dan D'Alessandro, David Zusi

motion / recommendation

background

alternatives / other considerations

fiscal impact



Utilities Advisory Board

agenda item

item type Non-Action Items	meeting date August 23, 2022
prepared by Wes Hamil	approved by
board approval	
strategic objective	

subject

Fuel rate discussion - Wes Hamil

motion / recommendation

No action is necessary

background

At the July UAB meeting, the board wanted to take a closer look at fuel cost recovery rates since they are having a significant impact on the rates customers are paying for electric service. Specifically, the board wanted to know if there was projected excess funds available in FY 2022 that could be used to cushion the effect of rates on customers. Attached are several informational items for the boards consideration:

1. A summary of projected FY 2022 budget variances of significance. There are some significant variances but, the projected net effect is only about \$200,000.
2. The portion of the City's rate tariff filed with the Florida Public Services Commission. The tariff establishes a ceiling on the cumulative over/under collection of fuel costs (the fuel cost stabilization fund balance) at 10% of the fiscal year's annual fuel budget rounded up to the next \$100,000. For the current fiscal year, that ceiling would be \$1,100,000. For the FY 2023 proposed budget, the ceiling would be \$1,900,000. In November 2020, the City Commission discussed the possibility of another fuel rate holiday to give customers price relief to help cope with the effect of COVID-19's impact on the economy. The UAB's recommendation was to not do another holiday. Out of this discussion came a lower revised stabilization fund balance target of \$745,000. That target has been used ever since that meeting.
3. A chart depicting the history of the fuel cost stabilization fund balance for the past twenty four months along with the City's average fuel cost recovery rate. The City was able to keep the same fuel cost recovery rate in place for all of 2020. We strive to keep rates as constant as possible to give our customers predictability in their bills. Rising fuel costs have necessitated more frequent increases, particularly, in the most recent months. The blue columns indicated how volatile the changing fuel market has been. The fuel cost stabilization fund balance was at a deficit of \$952,295 at the end of July. With the increase in fuel rates from \$66.20/MWh to \$81.78/MWh at the beginning of

August, we are currently projecting an over recovery of \$785,997 for the month of August to bring the month end balance to a deficit of \$166,298. One of the basis used to forecast fuel costs improved more significantly than expected resulting, in a projected significant over recovery for August.

4. At June 30, 2022, the Electric Services Fund had 120 days of working capital which included \$4,409,061 in unrestricted cash which affords some flexibility in improving the fuel cost stabilization fund balance.

alternatives / other considerations

1. Keep the average fuel rate at \$81.78. This will likely result in significant over recoveries and have a fuel cost stabilization fund balance of above our target of \$745,000 by the end of October.
2. Lower the average fuel rate to approximately half-way between the current rate and projected September fuel costs (\$70.04). This should put us at approximately break even for September and October. From there it would be a slow climb to a zero fund balance and improvement over the coming months if fuel costs were to stabilize at the projected levels.

fiscal impact

ATTACHMENTS:

[Projected Electric FY 2022 Budget Variances.pdf](#)

ATTACHMENTS:

[FPSC Submission Pkg \(August 1 2022\).pdf](#)

ATTACHMENTS:

[Fuel Cost Tracking.pdf](#)

Projected Significant Budget Items for FY 2022

Reimbursement for Hurricane Irma	415,904.76
Non-fuel electric revenues	561,884.74
Negative variance for investment earnings (impact of higher interest on the market value of the City's fixed income investment portfolio)	(192,249.73)
Budgeted use of carryforward fund balance (\$1,000,000 of this is for the solar awning project and another \$1,000,000 is for bulk meter replacement)	(2,084,009.80)
Personnel cost savings due to vacant positions	183,971.97
Refund of residential underground service fees	(619,417.00)
Bulk power transmission costs	400,000.00
Routine electric capital work	150,000.00
Street lighting	200,000.00
Tree care around power lines	150,000.00
FY 2023 contingency budget	<u>1,033,364.00</u>
Total of all projected significant budget variances	199,448.94



Electric utility

department

1409 Howell Branch Rd. • Building 14
Winter Park, Florida 32789

407-599-3294 • 407-643-1420 fax
cityofwinterpark.org/electric

July 21, 2022

Adam J. Teitzman, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: City of Winter Park, 2022 Billing Adjustment Rate Tariffs;
Administrative non-docketed

Dear Mr. Teitzman:

Consistent with the City's filed rate tariffs and its policy to periodically review fuel costs, the City is changing its Fuel Cost Recovery factors effective August 1, 2022.

Accordingly, we have enclosed for your information and records one clean copy and one in legislative format.

- BA-1 Billing Adjustments, Fiftieth Revised Sheet No. 3.100, replacing Forty Ninth Revised Sheet No. 3.100 effective August 1, 2022.

If you have any questions regarding our submission, please let me know.

Sincerely,

/s/

Dan D'Alessandro
Director Electric Utility

Attachments



**RATE SCHEDULE BA-1
BILLING ADJUSTMENTS**

Applicable:

To the Rate per Month provision in each of the City's rate schedule which reference the billing adjustments set forth below.

Fuel Cost Recovery Factor:

Rate Schedule	Fuel Cost Recovery Factor (cents per kW-hr)
RS-1 (1 st 1,000 kWh)	7.697
(All additional kWh)	8.697
GS-1	8.178
GS-2	8.178
GSD-1	8.178
GSDT-1 (Off-peak)	7.605
(On-peak)	9.901
LS-1	8.178

Fuel Adjustment Factor.

The Fuel Adjustment Factor will be determined periodically by the City. This factor is designed to recover the cost of fuel that is included in the cost of bulk power supply incurred by the City to provide electric service to its customers. Review of Fuel Adjustment adequacy will occur at least quarterly. If the fuel Adjustment Factor under-recovers fuel cost, the City will increase the Fuel Adjustment to collect the under recovery. If the Fuel Adjustment Factor over-recovers fuel cost, the City will decrease the fuel adjustment to credit back to customers the over-recovery. In order to stabilize fluctuations in the fuel adjustment factor, the City Manager may determine to phase in such increases or decreases over time. In no case, however, will cumulative under or over collections be allowed to exceed 10% of the fiscal year's annual fuel budget rounded up to the next \$100,000 without appropriate adjustments to the fuel adjustment.

Gross Receipts Tax Factor.

In accordance with Section 203.01 of the Florida Statutes, a factor of 2.5641% is applicable to electric sales charges for collection of the state gross receipts tax.

Franchise Fee Equivalent.

A Franchise Fee Equivalent is applied to the charges for electric service (exclusive of any municipal, county, or state sales tax) provided to customers within the jurisdictional limits of the City. The franchise fee equivalent is added to the charges for electric service prior to the application of any appropriate taxes. The City has established the franchise fee equivalent at six percent.

Continued on Page 2



**RATE SCHEDULE BA-1
BILLING ADJUSTMENTS**

Applicable:

To the Rate per Month provision in each of the City's rate schedule which reference the billing adjustments set forth below.

Fuel Cost Recovery Factor:

Rate Schedule	Fuel Cost Recovery Factor (cents per kW-hr)
RS-1 (1 st 1,000 kWh)	6.19 <u>6.62</u> <u>6.697</u>
(All additional kWh)	7.19 <u>6.62</u> <u>6.697</u>
GS-1	6.62 <u>6.62</u> <u>6.178</u>
GS-2	6.62 <u>6.62</u> <u>6.178</u>
GSD-1	6.62 <u>6.62</u> <u>6.178</u>
GSDT-1 (Off-peak)	6.16 <u>6.62</u> <u>6.605</u>
(On-peak)	8.03 <u>6.62</u> <u>9.901</u>
LS-1	6.62 <u>6.62</u> <u>6.178</u>

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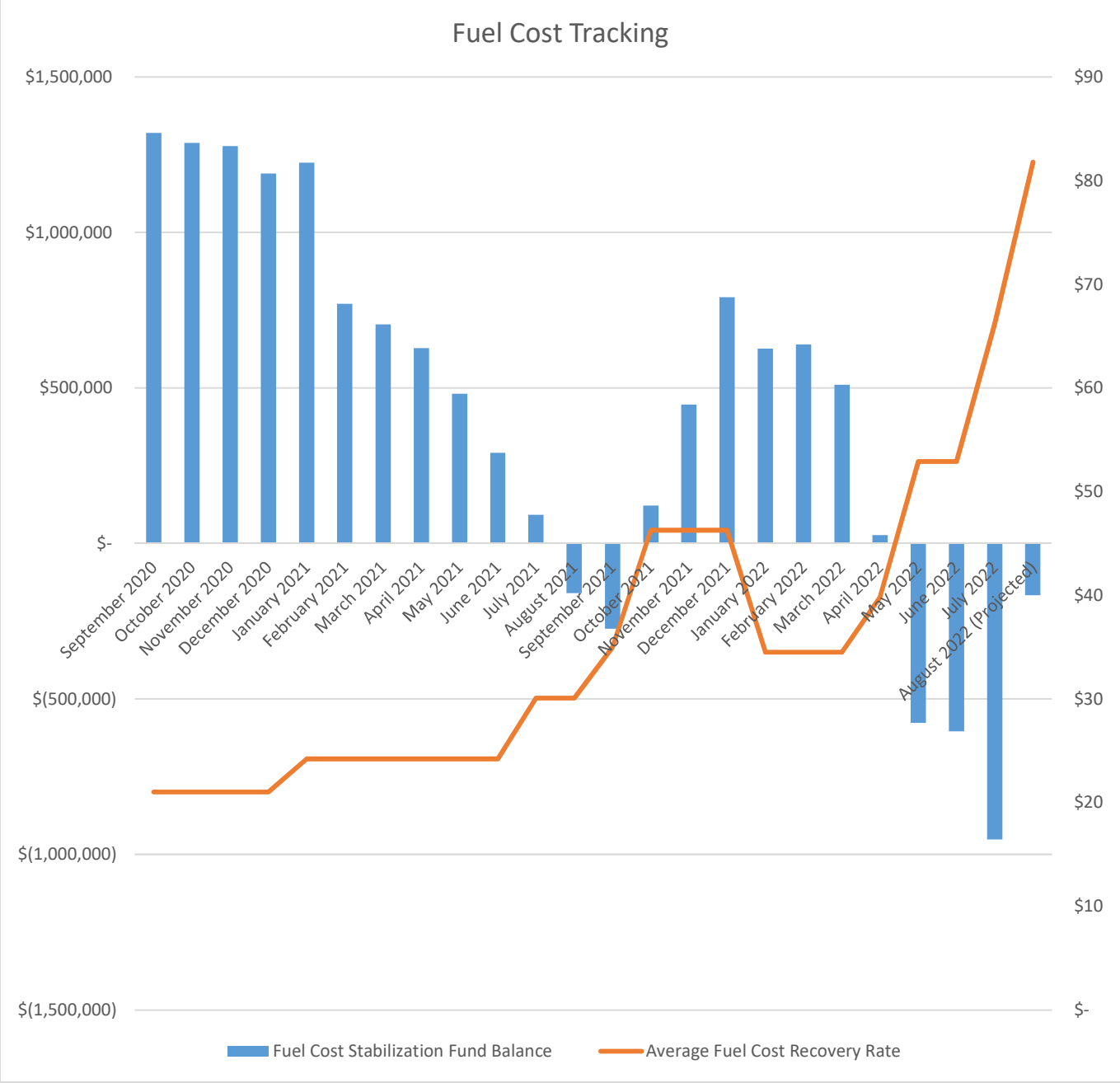
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Continued on Page 2





Utilities Advisory Board

agenda item

item type	Staff Updates	meeting date	August 23, 2022
prepared by	Daniel Dalessandro	approved by	
board approval			
strategic objective			

subject

Electric Utility - Dan D'Alessandro

motion / recommendation

background

alternatives / other considerations

fiscal impact

ATTACHMENTS:

[July22 Electric Utility - DD.pdf](#)

Monthly Electric Utility Update 08/02/22

Miles of Undergrounding performed

- Project J: 2.72 miles (45% complete)
- Project L: 9.57 miles (59.6% complete)
- Project Q: 5.78 miles (100% complete)
- Project R: 4.31 miles (34% complete) Commission approved advancement

TOTAL so far for FY 2022 – 5.62 miles

Total Project Review

- Total Citywide Project Miles- 127.5
- Total Miles Completed- 92.12
- Percentage Completed- 72.3%
- Total miles remaining- 35.3

OH/UG Budget update

2022 Undergrounding budget = 6.4M

- FYTD = 3.89M

Notes of Interest

- Construction of solar awning is underway with a 5-week timeline to finish and activate.
- Our new Engineer (Roberto Rodriguez) begins August 1st.
- The 2 large substation outages we experienced in June have raised our SAIDI numbers to a bit over 45 minutes. We are still well below the 60-minute goal for municipalities within Florida (FMPA goal)

Issues/Concerns

- FMPA solar project is still moving forward with Phase I estimated start at the end of 2023 and Phase II set for end of 2024. The 13 municipalities member cities have agreed to continue under re-negotiated pricing. The FMPA will put the new pricing to a vote, which is expected to pass, in the August meeting. Pricing is confidential but a reasonable rate was secured.
- Materials are going up exponentially (especially anything resin based like conduit) and the lead-time is extending. We currently have no more single-phase transformers until the December time frame. We do have transformers set aside for restoration/reliability issues.
- Bulk fuel prices have increased exponentially this year. The UAB is going to address plans for, potentially, softening the impact to our customers in our next meeting. Our 1000KWH usage customer has experienced an increase north of \$50 per month, since January, in their total electric bill due to increased fuel prices. Our fuel cost stabilization fund is currently (-\$600K). We have adjusted our fuel charge to remain flat until the UAB meets in August to develop a recommendation for the commission.

2022 Goals

- Zero personal injuries within work group
 - **Zero controllable vehicle accidents within work group**
 - **We had an employee hit a semi-truck box with our back-lot dolly he was bringing home from Tampa.**
 - Complete 8 miles (to include stretch goal) of underground conversions on the projects as designed
 - Projects R, J, Q & L
 - Identify and complete areas with poor reliability for targeted undergrounding advancement (stretch goal of 2 miles) Project “Q” and “L” are our first targets.
 - 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)
 - **This has been put on the back burner with OUC due to personnel and material issues**
-
- Green indicates goal has been met
 - Red indicates goal will not be met
 - Orange indicates still underway



Utilities Advisory Board

agenda item

item type Staff Updates	meeting date August 23, 2022
prepared by David Zusi	approved by
board approval	
strategic objective	

subject

Water & Wastewater Utility - David Zusi

motion / recommendation

background

alternatives / other considerations

fiscal impact



Utilities Advisory Board

agenda item

item type	Staff Updates	meeting date	August 23, 2022
prepared by	Peter Moore	approved by	
board approval			
strategic objective			

subject

Performance Measurement - (attachment only)

motion / recommendation

background

alternatives / other considerations

fiscal impact



Utilities Advisory Board

agenda item

item type	Staff Updates	meeting date	August 23, 2022
prepared by	Gloria Eby	approved by	
board approval			
strategic objective			

subject

Sustainability Quarterly Report - Gloria Eby

motion / recommendation

background

alternatives / other considerations

fiscal impact



Utilities Advisory Board

agenda item

item type Board Comments	meeting date August 23, 2022
prepared by Pamela Bracko	approved by
board approval	
strategic objective	

subject

Broadband and Smart City Ad-Hoc Committee Update - Paul Conway

motion / recommendation

background

alternatives / other considerations

fiscal impact



Utilities Advisory Board

agenda item

item type Upcoming Agenda Items	meeting date August 23, 2022
prepared by Pamela Bracko	approved by
board approval	
strategic objective	

subject

Upcoming Board Items

motion / recommendation

background

alternatives / other considerations

fiscal impact

ATTACHMENTS:

[Upcoming Board Items_rev 072622 - PB.pdf](#)

Upcoming Board Items

1. September
 - a. SAIDI - Data Available & How to Communicate - Dan D'Alessandro & Justin Isler
 - b. Review update to Cost of Service Study - Craig Shepard