Utilities Advisory Board Regular Meeting

Agenda

July 26, 2022 @ 12:00 pm

Virtual

welcome

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please note

Times are projected and subject to change.

agenda		time
1.	**Call to Order**	
2.	**Consent Agenda**	
	a. Approval of the June 28, 2022, regular meeting minutes.	1 minute
3.	**Public Comments (for items not on the agenda): Three minutes allowed for each speaker**	
4.	**Action Items**	
	a. Time of Use (TOU) electric rates	10 minutes
5.	**Non-Action Items**	
	a. Proposed Water and Wastewater and Electric Budgets and Capital Improvement Plans for FY 2023 - Wes Hamil	10 minutes
6.	**Staff Updates**	
	a. Performance Measurement	5 minutes
	b. Financial Report for the Quarter Ended June 30, 2022.	20 minutes
7.	**Board Comments**	
8.	**Upcoming Agenda Items**	
9.	**Adjournment**	

Utilities Advisory Board

agenda item

item type Consent Agenda	meeting date July 26, 2022
prepared by Kim Breland	approved by
board approval	
strategic objective	

subject
Approval of the June 28, 2022, regular meeting minutes.

motion / recommendation

background

alternatives / other considerations

fiscal impact

ATTACHMENTS:
UAB Minutes 06282022.pdf

Utilities Advisory Board Regular Meeting Minutes

June 28, 2022 at 12:00 p.m.

City Hall Commission Chambers
401 S. Park Avenue | Winter Park, Florida

Present

UAB Members: Michael Poole (Chair), Paul Conway, Fred Guitton, Leon Huffman, Linda Lindsey, Alison Yurko

City Staff: Dan D'Alessandro (Director of Electric Utility), Justin Isler (Asst. Director of Electric Utility), David Zusi (Director of Water & Wastewater Utility), Jason Riegler (Asst. Director of Water & Wastewater Utility), Karen Hood (Recording Secretary)

Guest: Marty Sullivan (City Commissioner)

Absent: Mary Dipboye, Wes Hamil (Director of Finance)

(1) Call to Order

Michael Poole called the meeting to order at 12:03 p.m.

(2) Consent Agenda

Motion made by Paul Conway, seconded by Alison Yurko to approve the April 26, 2022 meeting minutes.

Motion carried unanimously with a 6-0 vote.

Motion made by Linda Lindsey, seconded by Paul Conway to approve the May 24, 2022 meeting minutes.

Motion carried unanimously with a 6-0 vote.

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

None

(4) Action Items

a. **Election of Chair and Vice Chair**

Nomination from the floor for Michael Poole as Chair. Motion made by Linda Lindsey, seconded by Paul Conway to approve nomination of Michael Poole for Chair.

Motion carried unanimously with a 6-0 vote.

Nomination from the floor for Linda Lindsey as Vice Chair. Motion made by Paul Conway, seconded by Alison Yurko to approve nomination of Linda Lindsey for Vice Chair.

Motion carried unanimously with a 6-0 vote.

(5) Non-Action Items

a. **What Should sequence of these three initiatives be?**

1. **Electric Cost of Service Study –** Michael Poole led the discussion stating before the study can be completed the utility budgets must be finalized and the Time of Use (TOU) class must be addressed by either eliminating or opening up to others. The UAB has determined that the class does not apply. The utility needs to either move forward and get rid of it, or staff needs to

devise a plan that allows other companies to have access. As a system TOU does not do anything for the Utility, other than capacity relief. Capacity relief is not an issue, so again it has no benefit for the system as an operation.

2. **UAB's Strategic Plan -** David Zusi reported the staff met with CHA and discussed their capabilities. It was agreed CHA would submit a contract for the scope by piggybacking on an existing contract. After the meeting the Procurement department reviewed and felt this fell under Competitive Consultants Negotiation Act (CCNA) and could not be piggybacked. David is going to push back on this since the piggyback contract was a competitive process. Otherwise, the request will have to be written again, advertised, time allowed to respond, and selection process again. This could take three to four more months.

3. **100% Renewable Energy Initiative -** Michael Poole said they are just starting this.

   Michael Poole stated he does not think there's any special sequencing. There were no other comments on this from other members.

b. **Remote Meters – Productivity with Manual Process –** Paul Conway brought this topic to the UAB's attention. Is there a way to gain productivity with remote meters? Dan D'Alessandro stated he and Justin have discussed remote meters. He also reported the billing department (Customer Service at City Hall) does a reconnect or disconnect during the day, after hours the Electric Utility perform the connections. The most connections are in multifamily dwellings, so it would make sense to us in there. Dan D'Alessandro also said, the biggest bang for our buck would be in apartment complexes. Concern with the remote connections for example customers may set their box on their stove that has been left on and it could be dangerous. Justin Isler told the UAB there is software that can detect that and mitigate. However, in apartment complexes customers don't have access to their meter and to make that system work, you need to be you need to have access to your meter. As far as what meters cost over so our normal meter, which is our residential meter we use it, we have about 11,000 of them in the system they're about 53% more expensive; in dollars this would be $101 compared to $154. David Zusi said for consideration of whether you can actually be able to reduce staff is that remote meters only work inside the city and not multi-family dwellings (where they have trouble getting to the meter). He reported a remote water meter was is much more expensive. Paul Conway said he is not suggesting water meters. Justin Isler, we said staff has certainly looked into this and its part of discussion with the City management. This is a project to probably look at down the road. There was an in-depth discussion on this topic and the UAB agreed to come back to this in a year.

c. **Measuring Success of the Outsourcing of Substation Maintenance** – Paul Conway said we have this outsourcing agreement with OUC and it has been reported we are getting good value. He would like to know how that success is measured? Dan D'Alessandro reported that the substation maintenance has always been outsourced and the contractor used WHH (was Phil who was retired from OUC) is retiring he is 75 years old. We now are using OUC The Electric Utility have always outsourced maintenance. Justin Isler said the inspections are done with inspection sheets, recommendation for the repairs, the Electric utility decides what order and the priority, the actual work is done. Justin Isler said the main priority is a working substation. Paul Conway asked if there was a way to leverage the relationship. Dan D'Alessandro reported OUC had met with Randy Knight yesterday regarding OUC taking over the Utility. At this time the City of Winter Park does not feel turning the Utility over to OUC would be in its best interest.

d. **Review Hurricane Disaster Recovery Plan** – Justin Isler commented the detail in the package is comprehensive. Justin Isler did mention he and Dan D'Alessandro attended a Hurricane Forum that FMEA presented where Kevin Guthrie (the disaster preparedness guy for Gov. Desantis) on how the state is working on updating the forms for FEMA to have drop down menus and make it easier for municipalities get to reimbursed efficiently. Linda Lindsey asked of the City has different accounts and tracking procedures so the costs from storms are captured? David Zusi and Dan D'Alessandro confirmed this is in place but also added they will incorporate this into written detail that is attached in the package. Justin Isler also said Kevin Guthrie said "policy dictates better pay off." An example, if you have a policy in place set by the Commission that states specific policy on resources, like crews brought in early, you can get paid or reimbursed for your resources even though the storm did not hit us. This policy setting is something we have to work on.

e. **Proposed Water & Wastewater and Electric Budgets and Capital Improvement Plans for FY 2023**- Wes Hamil was not present at the meeting and the budgets are not ready at this time so this will be reviewed at the July meeting.

f. **Fuel rate increases** – Wes Hamil was not present at the meeting. Dan D'Alessandro said the market futures have dipped a smidgen. He said potentially this could lower rates a small amount but he has asked the rates be left the same in anticipation of them bouncing back up. He stated we are experiencing a dip but believe it is temporary. Wes Hamil will have more information on the intricacies of how much that impacts rates and to what extent, but this month there is no change.

(6) Staff Updates

a. **Electric Utility** – Dan D'Alessandro asked if anyone had any questions on his attached update. He reported the Electric Utility is interviewing candidates tomorrow for an engineer. He also said they are pleased with Mourad Belfakih, the Sr. Engineer brought on two months ago. He announced Karen Hood is retiring and they have hired Ann Newhouse from within the City as the new administrative coordinator. Michael Poole thanked Karen Hood for working with the UAB. Dan D'Alessandro also reported to the UAB the results from the joint work session was not to have the .009 increase. They will extend the period of time of the undergrounding program. This has been shared with the pubic by some of the Commissioners.

b. Water & Wastewater Quarterly Report – David Zusi David Zusi reported the Water utility is required to annually give a water quality report (available online) to all of the customers. He reviewed the attached slides with the UAB discussing the water quality, the rainfall versus demand, and the *Consumptive Use Permit (CUP).* Allocation how much we're allowed to withdraw compared to how much we are withdrawing we are doing well. In 2025 we have a conservative use permit renewal, that will be a huge project big you know a lot of work goes into to that renewal and we will be working very closely with St. John's River water management district.

Through conservation efforts we have removed some non-potable uses from the potable supply. He discussed other conservation efforts on the part of the City. We do have some rebates and some controllers that are good. The City has an ordinance for new construction and renovations called the DRIP program. The Water Utility would have to perform system improvements to divert additional flow to have the available capacity to create reclaimed water and then construct the distribution system to get it out to our customers.

David Zusi said there is an inverted rate structure but the combined bill does not adequately make this noticeable to customers. When the upgrades to our system are in place we can actually see somebody was irrigating three days a week, instead of two days a week, then we could send out letters to those customers. Right now, everything we treat we re-use in the parks, cemeteries, golf courses, etc. That doesn't really help us in our consumptive use permit but. What we want to do is get people that are irrigating their yard with drinking water to switch over to reclaimed water. We have an ordinance for landscaping that requires if you are new construction you use drip irrigation and micro spray heads.

David Zusi went on to discuss that the Water Utility had a part-time person who did irrigation audits for water and this was well received by the customers. They are advertising for another part-time person to do these audits but it hard to hire someone. One possibility would be to create a full-time position and add some responsibilities to make it full time. The UAB to help facilitate getting another position to do the water audits that possibly could be shared with Sustainability. Michael Poole said these are good ideas that he believes are worthy of pushing forward. He also said David Zusi's point is well taken that we are looking at 2025 big deal permit and having this type of program on board is very well thought of. Michael Poole suggested the Water Utility has a month to work with Sustainability to come up with a presentation at the July meeting for a full-time position to present to the UAB to see whether they will endorse and recommend to the Commission. Linda Lindsey suggested if there are any metrics from when the position was filled before, any stats about either how many residences or customers they visited, or results of customers satisfied, those type of details would help.

c. Performance Measurement – (attachment only) - Dan D'Alessandro commented on the System Average Interruption Duration Index (SAIDI) Sum on the Performance Measurements. He stated in the past this metric was not reported correctly because outages for we were responsible were omitted for example a squirrel on the line causing and outage. We are reporting it correctly now. We are running 45, but it is up significantly because we had a few big outages. We are allowed to exclude named storms or events outside of our control like if Duke drops the transmission line we are exempt from that. When everything's underground and trees don't fall on the power line then 18 SAIDI is doable. People have a hard time understanding while we are transitioning even though let's say your neighborhood is all underground, unfortunately, the feeder that feeds it is still overhead until we get all the way done there's still overexposure. There was a lengthy discussion about how to report SAIDI and how to express this through communications to the City customers. The consensus was for Dan D'Alessandro and Justin Isler to come back with an agenda item to the UAB with the suggestions of how we could communicate the data to the customers to translate to the customers. The goal is for people to understand SAIDI is the minutes of outage.

(7) Board Comments

a. Broadband & Smart City Ad Hoc Committee Update – Paul Conway gave the UAB an update on meeting from the Broadband & Smart City Ad Hoc Committee.

(8) Upcoming Agenda Items

a. Upcoming Board Items – Review Cost of Service Study to pushed out until Strategic Plan complete.

For the July agenda:
1. Review draft of Financial Budgets for Utilities – Wes Hamil
2. Irrigation/Conservation Position Analysis – David Zusi & Gloria Eby
3. Time of Use Plan for Elimination or Plan to Open to Others – Wes Hamil & Dan D'Alessandro
4. Marketing Communication Plan (Interim and to include Fuel Adjustment) - Clarissa Howard

For the August agenda:

1. SAIDI – Data Available & How to Communicate – Dan D'Alessandro & Justin Isler

(9) Adjournment

Meeting adjourned at 1:50 p.m. Next meeting is July 26, 2022.

Minutes approved the board on mm/dd/yyyy.
/s/ Recording Secretary Karen Hood

Utilities Advisory Board

agenda item

item type Action Items	meeting date July 26, 2022
prepared by Wes Hamil	approved by
board approval	
strategic objective	

subject

Time of Use (TOU) electric rates

motion / recommendation

Develop plan to eliminate TOU rates as a component of the refresh to the electric cost of service study

background

The City has 24 customer accounts that are billed electric service at TOU rates. If these customers were not in the TOU rate class, they would be general service demand customers. When the City purchased its electric utility in 2005, it kept all customers in their same rate classes. The TOU rate class was frozen to any new customers because the City's costs of purchasing electricity are not time differentiated. TOU rates provide higher rates for hours and days of the week defined as on peak and lower rates for power used during off peak hours. Below is an explanation of TOU rates from Jerry Warren, former Winter Park Electric Utility Director and current consultant for the City:

The theory behind TOU rates is that they more accurately reflect a utility's true costs and rates should accurately signal the true cost. If that is done, it is supposed to shift consumption off a utility's higher costs and shift it to the lower cost times of the day. The problem with that thinking at Winter Park is we do not have any costs that are time differentiated. We buy no wholesale power that has time of use characteristics, none of our fuel has time of use characteristics. All of our wholesale power supply costs are built on average rates. If a large customer shifts usage to off-peak and if that shift off-peak lowers our peak demand, it would save demand charges. A store like Publix with a high load factor would not be able to shift demand to off-peak hours. A good definition of load factor is the ratio of average peak divided by peak demand. A customer that has a 100% load factor uses the same amount in all hours of the day and therefore cannot shift load. You do not want to offer TOU to customers to save them money. If you do, that means you have to raise the rates of your other customers or you have to cut your costs to make up for the loss of revenues. If Publix runs it's A/C and its refrigeration 24x7, then the only load that is shiftable is lighting. I cannot imagine that Publix can turn off its lights over our peak.

At its September 2021 meeting, the UAB reached a general consensus the TOU rate class should be eliminated. At its June 2022 meeting, the UAB asked staff to develop a plan to either eliminate the

TOU rate class or make it available to other customers.

City staff, together with Craig Shepard, the City's rate study consultant with Leidos, have prepared three options to eliminate the TOU rate class:

1. Combine the TOU and general service demand classes effective October 1, 2022
2. Combine the TOU and general service demand classes effective October 1, 2023
3. Phase the combination of the TOU and general service demand classes over both years

Attached is a listing of the TOU customers and Craig's projection of the impact to all electric customer classes for each of the above options.

alternatives / other considerations

fiscal impact

Any changes to electric rate classes would be designed to be revenue neutral in total

ATTACHMENTS:
Time of Use Customers.xlsx

ATTACHMENTS:
Winter Park_0726.pptx

<Type here to customize title>

Date: 9/21/2020

Customer ID	Location ID	Customer Name	Street Address
724252	119	ADVENTIST HEALTH SYSTEMS	200 N LAKEMONT AVE
727402	14353	ADVENTIST HEALTH SYSTEMS	2100 GLENWOOD DR
124252	14367	ADVENTIST HEALTH SYSTEMS	200 LOCH LOMOND DR
149162	11258	ALOMA BOWLING CENTER	2530 ALOMA AVE
10582	875	BOARD OF PUBLIC SCHOOLS	2100 SUMMERFIELD RD
44012	3510	CITY OF WINTER PARK LIBRARY	460 E NEW ENGLAND AVE
1028342	47012	DI PARTNERS, LLLP	650 S CAPEN AVE
111262	8333	EMBARQ FLORIDA INC	151 S NEW YORK AVE
747482	8478	EMBARQ FLORIDA INC	500 N NEW YORK AVE
708822	43021	MAYFLOWER RETIREMENT CTR INC	1620 MAYFLOWER CT
708832	43022	MAYFLOWER RETIREMENT CTR INC	1620 MAYFLOWER CT
708842	43023	MAYFLOWER RETIREMENT CTR INC	1620 MAYFLOWER CT
691702	127	PRESBYTERIAN RETIRE COMM	1111 S LAKEMONT AVE
47082	3760	PUBLIX SUPER MARKETS	741 S ORLANDO AVE
47082	14250	PUBLIX SUPER MARKETS	2345 ALOMA AVE
47082	14255	PUBLIX SUPER MARKETS	2295 ALOMA AVE
47082	39638	PUBLIX SUPER MARKETS	440 N ORLANDO AVE
742752	44611	ROLLINS COLLEGE	400 S PARK AVE
747452	44831	ROLLINS COLLEGE	500 OSCEOLA AVE
724242	176	ROLLINS COLLEGE INC	200 E NEW ENGLAND AVE
686542	42251	ROLLINS COLLEGE -PHY PL	201 E COMSTOCK AVE
1462	8741	ROLLINS COLLEGE PROPERTY MGMT	1000 HOLT AVE
706942	154	WINTER PK RETIREMENT CTR INC	1550 GAY RD
101672	45214	WINTER PRK GRDNS OWNR ASSOC	700 MELROSE AVE

<Type here to customize title>

Date: 9/21/2020

Dollar Impact to Customer	Percentage Impact to Customer
(32,387.65)	-3%
(2,805.74)	-3%
116.35	8%
(2,321.56)	-3%
(11,557.10)	-1%
(919.23)	-2%
128.76	37%
(10,996.95)	-4%
(18,957.62)	-4%
(4,347.19)	-3%
(4,284.88)	-3%
(9,147.72)	-3%
(14,728.17)	-3%
(7,181.90)	-3%
(47.00)	-1%
(7,404.12)	-3%
(10,008.28)	-3%
(608.85)	-3%
(1,303.85)	-1%
(1,714.85)	-2%
(50,470.46)	-3%
(3,930.82)	-2%
(7,117.40)	-3%
(1,049.58)	-3%
(203,045.81)	-3%

CITY OF WINTER PARK, FLORIDA

Cost of Service Study Update and Rate Design for Electric Utility

PRESENTED BY: Craig Shepard, Project Manager

July 26, 2022

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Cost of Service Study Update

- COS Study was Completed in 2021
- COS Indicated Small Decreases in Residential and Small Commercial, Small Increases in Large Commercial
- COS Update using FY 2023 Budget and Actual FY 2021 Load Characteristics by Customer Class shows similar results
- Options for Adjusting Rates to Move Closer to the Cost of Service
- Options to be Revenue Neutral (Same Total System Revenue)

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Existing Rate Classes

- Residential
- General Service Non Demand – Small Commercial
- General Service Non Demand 100% Load Factor – Small Commercial with 100% Load Factor
- General Service Demand – Large Commercial billed based on kW Demand and kWh Energy (Greater than 24,000 kWh annually)
- General Service Demand Time of Use – Large Commercial billed based on kW Demand and Time of Use kWh Energy (Greater than 24,000 kWh annually)
- Public Authority – City, County and Schools
- Street and Private Area Lighting

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Option 1

- Combine TOU and GSD Effective 10-1-22

► Residential	- 0.7%
► GSND Small Commercial	- 0.7%
► GSD Large Commercial	0.0%
► TOU Large Commercial	+3.0%

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Option 2

- Combine TOU and GSD Effective 10-1-23

Residential	- 0.7%
GSND Small Commercial	- 0.7%
GSD Large Commercial	0.0%
TOU Large Commercial	+3.0%

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Option 3

- Phased Combination TOU and GSD Effective 10-1-22 and 10-1-23

	10-1-22	10-1-23
▸ Residential	-0.35%	-0.35%
▸ GSND Small Commercial	-0.35%	-0.35%
▸ GSD Large Commercial	0.00%	0.00%
▸ TOU Large Commercial	+1.50%	+1.50%

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Questions / Comments

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Utilities Advisory Board

agenda item

item type Non-Action Items	meeting date July 26, 2022
prepared by Wes Hamil	approved by
board approval	
strategic objective	

subject

Proposed Water and Wastewater and Electric Budgets and Capital Improvement Plans for FY 2023 - Wes Hamil

motion / recommendation

The proposed FY 2023 budgets and capital improvement plans are presented to inform the Utilities Advisory Board.

background

alternatives / other considerations

fiscal impact

ATTACHMENTS:
Proposed Budget - FY 2023.pdf

Water and Sewer Fund Budget Highlights

- *Rates:* By policy, the city references the Public Service Commission price index for water and sewer rate comparisons each year. For FY 23 the adjustment will be 4.53%, which considers the backward-looking year rise in cost pressures. As a lagging adjustment, this increase, while higher than any in the last many years was an early indication of coming inflation and will likely mean that the increase in FY24 will be closer to the level of inflation being experienced now at 8%. Last year, this budget document addressed the issue that these adjustments were only ever meant to cover operating cost pressures and not capital. For the Winter Park Water and Wastewater Utility, it is capital funding concerns and regionally required projects that are driving tight budgets. Required capital calls for the city's participation in regional wastewater treatment facilities as well as FDOT required utility relocate projects, will draw down on the utility's cash balance over time. These costs are presented in the 5-Year CIP portion of this document and will significantly reduce the utility's cash position in the near term. This year's proposed budget is balanced but only adjusting based on the PSC index will not be sufficient in the long-term to support healthy utility operations. It is unfortunate that this need for more capital over the long-term is also hitting at this time of high inflation, making any increase to rates especially sensitive.
- *Routine Capital Investments:* The utility will make $1.3 million in repairs and replacement funding to the systems water & sewer mains, and lift stations. In addition, it will make almost a $400k investment in replacements and upgrades at the Water and Wastewater plants including, ozone monitors, fire alarm panels, gate access replacements, and other improvements.
- *Accelerated Water Meter Replacement:* As water meters age, readings become less accurate and the differential between what is pumped and what is billed becomes larger. This is tracked, in part, through the unaccounted for water loss statistic. Over the last few years this number has started to tick up (6.8% in FY18, 7.1% in FY19, 8.7% in FY20, 8.8% in FY21) and may indicate that meters are aging and need to be replaced. The FY 23 budget includes an additional $300k in operating funds to accelerate the replacement of old meters.
- *Wastewater Treatment:* A large part of the annual budget for the Utility involves cost sharing partnerships for the treatment of wastewater. The largest is the city's partnership with Orlando for the Iron Bridge facility. Staff has received revised 5-year CIP estimates from Orlando regarding future capital contribution needs, and the CIP has been updated to reflect these figures. For FY23, the utility will pay $2.4 million out of cash reserves to support upgrades at the facility, with almost $4 million

now required in FY24. Funding contribution needs for these capital contribution agreements is a primary reason for considering future action on rates to maintain reserves. Current and projected working capital is a follows:

	Actual 09/30/2021	**Projected Balance at 09/30/2022**	**Budgeted Use in FY 2023**
Working Capital Balance	$15,624,168		
Budgeted Use		$2,200,000	$2,396,717
Projected Ending Balance		$13,424,168	$11,027,451

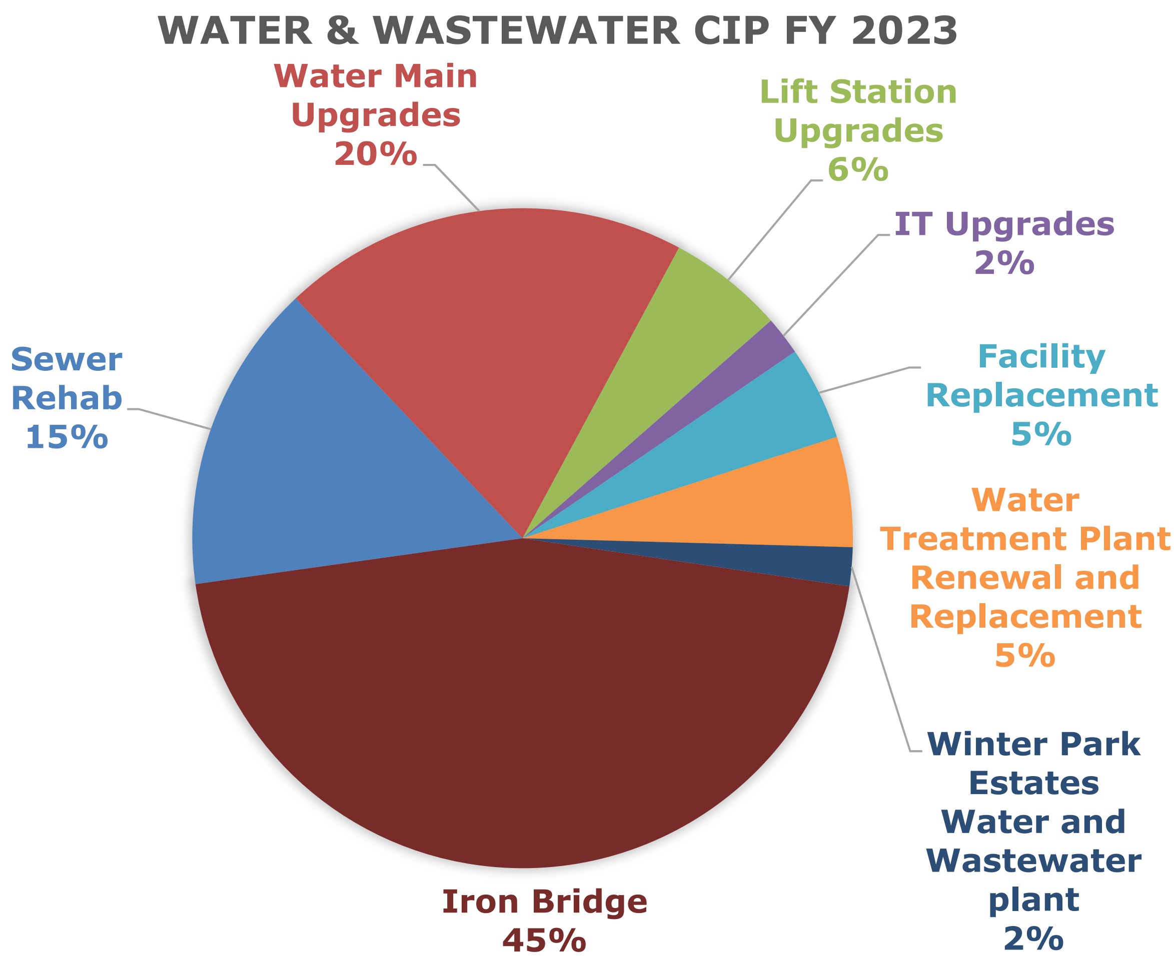
CITY OF WINTER PARK
ENTERPRISE FUNDS
WATER AND SEWER FUND
MULTI-YEAR ACTUAL AND BUDGET SUMMARY

	ACTUAL FY 2019	ACTUAL FY 2020	ACTUAL FY 2021	BUDGET FY 2022	BUDGET FY 2023
REVENUES/SOURCES					
Charges for services	$ 30,262,535	$ 31,852,002	$ 32,446,556	$ 32,327,794	$ 34,418,474
Capital contributions	1,268,930	2,924,227	727,911	749,000	800,000
Other	1,395,830	740,431	(63,651)	54,000	(24,569)
Transfers from other funds	-	-	462,000	-	-
Total Revenues/Sources	32,927,295	35,516,660	33,572,816	33,130,794	35,193,905
EXPENSES/USES					
General administration	1,995,381	2,063,986	2,077,937	2,159,912	2,577,247
Operations	16,348,828	15,933,137	16,183,456	18,664,443	19,695,945
Depreciation	2,993,110	2,807,728	2,783,670	-	-
Amortization	664,439	773,331	829,696	-	-
Interest and fiscal charges	2,366,212	2,202,565	1,790,564	1,513,559	1,162,834
Amount allocated for principal payment	-	-	-	3,234,167	3,560,000
Amount allocated for capital projects	-	-	-	4,455,500	4,931,717
Reimbursements	2,568,908	2,438,981	2,495,996	2,396,350	2,602,312
Transfers to other funds	2,875,440	2,832,091	2,873,827	2,906,863	3,060,567
Total Expenses/Uses	29,812,318	29,051,819	29,035,146	35,330,794	37,590,622
Change in Net Assets (Cash Flows for Budget Years Presented)	3,114,977	6,464,841	4,537,670	(2,200,000)	(2,396,717)
Adjustments to Budget Years to Convert to GAAP Accounting:					
Deduct estimate for depreciation	-	-	-	(3,000,000)	(3,000,000)
Deduct estimate for amortization	-	-	-	(700,000)	(700,000)
Add back payment of principal	-	-	-	3,234,167	3,560,000
Add back investment in capital assets	-	-	-	4,455,500	4,931,717
Change in Net Assets (After Adjustments to Budget Years)	3,114,977	6,464,841	4,537,670	1,789,667	2,395,000
Net Assets at Beginning of Year, as Restated	78,861,465	81,976,442	88,441,283	92,978,953	94,768,620
Net Assets at End of Year	**$ 81,976,442**	**$ 88,441,283**	**$ 92,978,953**	**$ 94,768,620**	**$ 97,163,620**
Invested in capital assets, net of related debt	$ 47,832,994	$ 51,333,036	$ 54,118,830	$ 58,108,497	$ 62,900,214
Restricted	14,816,689	21,123,667	21,915,839	21,915,839	21,915,839
Unrestricted	19,326,759	15,984,580	16,944,284	14,744,284	12,347,567
Total Net Assets	**$ 81,976,442**	**$ 88,441,283**	**$ 92,978,953**	**$ 94,768,620**	**$ 97,163,620**

Capital Improvements Plan

Water & Wastewater Utility

The enormity of the I-4 project that used much of the Utility's manpower and budget for the last few fiscal years, has concluded, and in the last year the utility funded a number of regional transportation projects. Now the utility is focusing more on routine system maintenance and improvements in FY23.



Routine Rehabilitation and Upgrades: This includes sewer mains, and water mains. Replacement of asbestos force mains, short line sewer installations, asbestos force main replacement, sanitary manholes, and short line sewer liner installations will be accomplished using remaining project funds. Total new routine funding will total $1.85 million in FY 23. In the past impact funds have been recorded as contingency in the budget but general routine spending is commonplace and will now start to appear as budgeted spending in the CIP. As impact revenues are extremely volatile, the CIP will update future spending based on most recent annual performance and is using $300k as a placeholder for future years in each fund.

Upgrade Water & Wastewater Treatment Plants: Renewal and replacement of components for the Water Treatment plants, pump facilities, and Wastewater Reclamation facility is funded at $385k in FY 23.

Lift Station Upgrades: Renewal and replacement of aging lift stations throughout the city. New funding has expanded and is allocated at $300k in FY 23.

Future Water & Wastewater Utility Projects: Many major projects will need to be considered over the longer term and the CIP indicates these funding needs.

Iron Bridge Wastewater Treatment Plant: As part of the agreement with Orlando to provide wastewater treatment at the Iron Bridge facility the city is obligated for a portion of any planned capital spending improvements. The 5yr CIP estimated total for improvements needed is $6.8 million. This is an increase over last year's number and is mostly front-end loaded to the more near-term portion of the CIP. This likely means that more costs and revisions will come in the future and represents one of the biggest capital allocations the utility has. If funding keeps expanding at this level, rates will have to be addressed to accommodate these increases. As previously discussed in the document, the inflationary adjustment of the PSC index was not meant to cover capital costs of a utility and is insufficient over the long term. Capital contributions to Orlando for the treatment plant will total $2.4 million and be paid from cash reserves as the utility cannot cash-flow such a large sum from operations.

Future Water & Wastewater Utility Projects:

- As part of the FDOT's streetscape improvement to the 17/92 highway corridor in cooperation with the City's CRA, the utility will need to relocate a number of utility lines. As this project is still in the planning stage, the exact year is not known but the need for funding will also likely have to come from reserves.
- Expansion of Reclaimed Water: It is anticipated that at some point in the future the demand for portable water will exceed the capacity allowed under our consumptive use permit at which time we may need more reclaimed water capacity. This project would expand the reclaimed water system. Estimated at $3.75 million.
- Ground Storage Tank Expansion: Construction of a new 5-million-gallon ground storage tank for reuse water storage to replace the existing lined storage ponds and increase reclaimed water supply capacity to meet irrigation demands. Estimated at $6.1 million, the utility is investigating making repairs to the existing pond system to find a more cost-efficient alternative to the high-priced tanks.
- *Richard Crotty Parkway Utility Upgrade*: Orange County is planning to realign Hanging Moss Road. As a result, the city is required to relocate its water and sewer facilities. Our project portion future funding estimated at $915k. This project was originally projected to start in FY22 but the city received notice that it has now been delayed till FY25. It is likely that re-bidding of pricing has

caused a delay in this project, and that other project delays to regional projects could show up as costs are re-evaluated in this inflationary environment.

- *Kennedy Blvd Road Widening:* Orange County roadway project. The city is responsible for moving any force main conflicts. Project future funding estimated at $200k.

CITY OF WINTER PARK
SUMMARY OF CAPITAL PROJECTS
WATER AND WASTEWATER FUND

Department	Description	Funding Source	Estimated 5 Yr. Cost	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	Other Long-term Needs
Water and Sewer	Upgrade sewer mains - Rehabilitation of defective sewer mains with heavy ground water infiltration.	Water and Sewer Fees	1,700,000	300,000	350,000	350,000	350,000	350,000	
		Sewer Impact Fees	1,700,000	500,000	300,000	300,000	300,000	300,000	
Water and Sewer	Rehabilitation of sanitary manholes to restore their structural integrity	Water and Sewer Fees	450,000		100,000	100,000	125,000	125,000	
Water and Sewer	Short Liner Installation - for rehabilitation of sanitary sewer mains and laterals from the main to the property line.	Water and Sewer Fees	1,250,000		300,000	300,000	325,000	325,000	
Water and Sewer	Upgrade water mains - Replacement of sub-standard water mains throughout the water distribution system.	Water Impact Fees	1,500,000	300,000	300,000	300,000	300,000	300,000	
		Water and Sewer Fees	3,750,000	750,000	750,000	750,000	750,000	750,000	
Water and Sewer	Lift Station Upgrades	Water and Sewer Fees	1,500,000	300,000	300,000	300,000	300,000	300,000	
Water and Sewer	Upgrading/rerating of Iron Bridge Regional Wastewater Treatment Facility (City of Orlando).	Prior Bond Proceeds	-						
		Water and Sewer Reserves	6,829,467	2,396,717	3,948,500		484,250		
Water and Sewer	Richard Crotty Parkway Utility Upgrade	Water and Sewer Reserves	915,000			915,000			
Water and Sewer	Kennedy Blvd Road Widening Force Main Upgrade	Sewer Impact Fees	200,000		200,000				
Water and Sewer	Water Treatment Plant Renewal and Replacement	Water and Sewer Fees	580,000	285,000	295,000				
Water and Sewer	Winter Park Estates Water and Wastewater plant	Water and Sewer Fees	330,000	100,000		230,000			
ITS	Information Technology Infrastructure Upgrades (50% General Fund, 25% Water and Sewer Fund and 25% Electric Services Fund).	Water and Sewer Fees	600,000	100,000	100,000	125,000	125,000	150,000	

CITY OF WINTER PARK
SUMMARY OF CAPITAL PROJECTS
WATER AND WASTEWATER FUND

Department	Description	Funding Source	Estimated 5 Yr. Cost	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	Other Long-term Needs
Public Works	Facility replacement account funding (replacement of flooring, roofing, air conditioning, painting, & other capital needs) (65% General Fund, 25% Water and Sewer Fund, and 10% Electric Fund).	Water and Sewer Fees	790,385	242,308	125,000	134,615	134,615	153,846	
Water and Sewer	FDOT 17-92 UT line Relocation	Water and Sewer Reserves	-						3,000,000
Water and Sewer	Expansion of reclaimed water system	Water and Sewer Reserves	-						1,550,000
		Sewer Impact Fees	-						1,100,000
		Water Impact Fees	-						1,100,000
Water and Sewer	Ground Storage Tank Expansion	Water and Sewer Fees	-						6,100,000
	Totals		22,094,852	5,274,025	7,068,500	3,804,615	3,193,865	2,753,846	15,850,000

Totals by Funding Source:	**Funds Available**							
Water and Sewer Fees		10,515,538	2,077,308	2,320,000	2,289,615	2,109,615	2,153,846	9,100,000
Water and Sewer Reserves	12,010,826	9,944,467	2,396,717	3,948,500	915,000	484,250	-	4,550,000
Sewer Impact Fees	10,356,290	1,968,000	500,000	500,000	300,000	300,000	300,000	1,100,000
Water Impact Fees	5,914,335	1,581,000	300,000	300,000	300,000	300,000	300,000	1,100,000
	23,484,432	24,009,005	5,274,025	7,068,500	3,804,615	3,193,865	2,753,846	15,850,000

Electric Services Fund Budget Highlights

- *Undergrounding Funding & Cost Inflation: The Electric Utility is preparing for a cost inflation estimate of over 15% and allocating over $1 million annually to keep pace with cost increases so that the city's underground program can stay on track.* This will bring annual funding for Electric Undergrounding to over $7.4 million with the goal of completing 8 miles annually. When lead times and pricing started to rise, the utility and warehouse division moved quickly to buy a number of materials in advance. Lead times on items that used to be a month are now more than four months and sometimes over a year. Pricing for steel and metals and transformers have been rising by 75% - 150% over a two-year period. The utility is hoping that early action on stockpiling will help the utility to continue on schedule, however anticipating what shipping and material problems may emerge is difficult to forecast. Regardless, the extra funding will be used to mitigate long lasting price increases while also offering significant funding to meet mileage goals as well as the inclusion of undergrounding residential service lines as projects are in progress.
- *Fuel Costs:* In FY22 the utility has had to repeatedly revise the fuel cost component of a customer's utility bill as the price of natural gas has tripled and increased the cost of delivering power. This is a national phenomenon and all utility providers are in the same position. Unfortunately, this is being felt by everyone with little chance of relief in the near future unless geo-political issues in Europe calm down. The Henry Hub spot gas price is the standard for benchmarking and futures contracts on this commodity are not estimated to begin falling again until the fall of 2023. This means that higher costs of fuel are here to stay and that the utility is continuing to look at options to maintain competitive rates while still delivering quality service. This increase in pass-through fuel costs is the biggest cause of increase in the city-wide All Funds budget. Bulk power costs, excluding transmission, will rise approximately $9 million from originally budgeted estimates in FY22. This is a 20% increase in the size of the overall utility budget and highlights the magnitude of the effect that these worldwide issues are having at the local level.
- *Solar Awning Completion:* The utility's solar awning array at the City Operations Compound Utility Warehouse will go into full operation in FY23. This awning which creates a shade structure around the warehouse property to protect vehicle assets, will also include solar panels throughout as well as on the roof of the warehouse. It is anticipated this solar array will more than support electric power use at the warehouse.
- *Energy Efficiency Study:* In FY22 a solicitation for performing an energy efficiency study of all major city buildings was commissioned and is expected to complete in this coming budget year with recommendations to continue to enhance the utility's commitment to sustainability.
- *Rate Comparison:* All utilities in the state are experiencing the high cost of fuel price inflation however Winter Park rates remain competitive even with the fact that the utility is expanding its investment in undergrounding. As of March 2022, Winter Park rates were only 85.6% of Duke Energy's rate for a 1,000

kWh residential consumer, and were on parity with the state average rate at just under 102%.

- *Reliability:* The electric undergrounding program has been proving its worth. The Florida Municipal Power Agency (FMPA), which represents municipally owned electric utilities in the State of Florida, compiles outage duration and provides monthly reports. For the 12 months ending March 2022, the City of Winter Park Electric Utility was the 6th most reliable out of the 19 municipally owned utilities that provided data. The System Average Interruption Duration Index (SAIDI) is the industry accepted measure of reliability and Winter Park's stood at 34.4 minutes, verses an average of 43.7 for municipalities in its size class. The city's undergrounding program funded in this budget continues to make reliability gains for residents and businesses in this city.

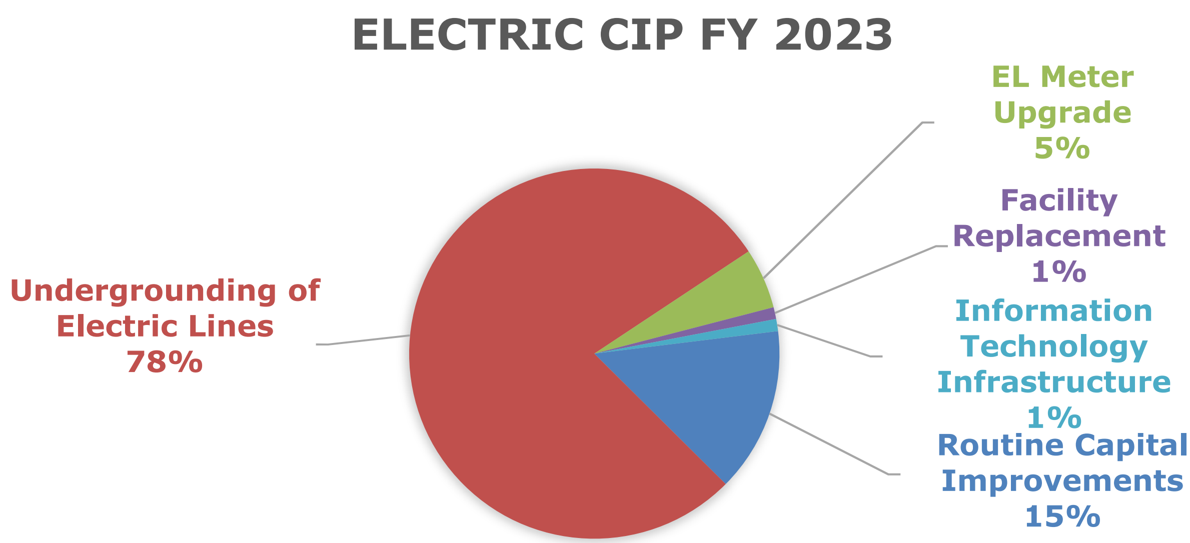
CITY OF WINTER PARK
ENTERPRISE FUNDS
ELECTRIC SERVICES FUND
MULTI-YEAR ACTUAL AND BUDGET SUMMARY

	ACTUAL FY 2019	ACTUAL FY 2020	ACTUAL FY 2021	BUDGET FY 2022	BUDGET FY 2023
REVENUES/SOURCES					
Charges for services	$ 48,833,925	$ 46,212,766	$ 47,128,618	$ 44,901,606	$ 54,197,445
Other	(199,619)	55,197	39,394	(1,158)	(155,000)
Transfers from other funds	-	-	-	-	-
Reimbursements	-	-	-	154,458	166,590
Total Revenues/Sources	48,634,306	46,267,963	47,168,012	45,054,906	54,209,035
EXPENSES/USES					
General administration	2,060,921	2,100,247	2,177,961	2,290,376	2,345,891
Operations	31,351,752	25,659,465	24,432,268	25,422,860	34,164,137
Depreciation	2,858,999	3,098,075	3,253,638	-	-
Amortization	656,300	696,619	696,666	-	-
Interest and fiscal charges	2,339,193	2,288,428	2,156,814	2,253,940	2,055,917
Amount allocated for principal payment	-	-	-	2,530,000	2,670,000
Amount allocated for capital projects	-	-	-	7,150,000	7,892,000
Reimbursements	1,484,107	1,728,412	1,740,681	1,696,582	1,775,965
Transfers to other funds	2,803,255	2,632,602	3,186,264	2,677,784	3,151,141
Total Expenses/Uses	43,554,527	38,203,848	37,644,292	44,021,542	54,055,051
Change in Net Assets (Cash Flows for Budget Years Presented)	5,079,779	8,064,115	9,523,720	1,033,364	153,984
Adjustments to Budget Years to Convert to GAAP Accounting:					
Deduct estimate for depreciation	-	-	-	(3,000,000)	(3,000,000)
Deduct estimate for amortization	-	-	-	(700,000)	(700,000)
Add back payment of principal	-	-	-	2,530,000	2,670,000
Add back investment in capital assets	-	-	-	7,150,000	7,892,000
Change in Net Assets (After Adjustments to Budget Years)	5,079,779	8,064,115	9,523,720	7,013,364	7,015,984
Net Assets at Beginning of Year, as Restated	35,609,760	40,689,539	48,753,654	58,277,374	65,290,738
Net Assets at End of Year	**$ 40,689,539**	**$ 48,753,654**	**$ 58,277,374**	**$ 65,290,738**	**$ 72,306,722**
Invested in capital assets, net of related debt	$ 36,356,732	$ 38,520,362	$ 44,120,940	$ 50,100,940	$ 56,962,940
Unrestricted	4,332,807	10,233,292	14,156,434	15,189,798	15,343,782
Total Net Assets	**$ 40,689,539**	**$ 48,753,654**	**$ 58,277,374**	**$ 65,290,738**	**$ 72,306,722**

Capital Improvements Plan

Electric Utility

The Electric Utility is experiencing significant cost pressures to its undergrounding effort at materials costs have risen well over 100% in some cases (transformers) and contracted labor costs expand. Expecting average inflation pressure of over 15% in the FY23 year, over $1 million was added to the undergrounding project to keep pace with program goals.



Routine Capital: Funding in this category provides for the capital repair and replacement of the utility's infrastructure to continue to provide exceptional electric service to the city's customers. Previously performed by contractors, a large portion of this work will now be accomplished through city crews. Estimated routine capital spending is $1.36 million for FY 23 and is based on historical levels that inflates at the expected cost of wage inflation over time.

Electric Undergrounding: A detailed long-term undergrounding plan has been developed with a focus on reducing tree conflicts and improving reliability. The plan calls for annual undergrounding expenditures of approximately $7.4 million which, if continued, should underground the entire system by FY30. This is an expansion of the program completion timetable because completing underground service drops to each resident house has been added to the program scope. While this will slow the full project completion timetable down, it will now cover costs that homeowners used to have to pay, will increase aesthetics by removing wood poles, and will do it without having a rate increase added to complete this portion of the project. The utility is still targeting a goal of completing 8 miles of undergrounding but material delays and adding to the project scope, may mean that mileage completed comes in at a lower number.

Electric Meter Upgrades: This funding is budgeted to replace the unsupported electric meters throughout the City. The new meters are supported with smart technology that offer additional services for improved data collection and response times to system outages. FY 23 is budgeted at $500k with total replacement quoted for $1.5 million.

CITY OF WINTER PARK
SUMMARY OF CAPITAL PROJECTS
ELECTRIC SERVICES FUND

Department	Description	Funding Source	Estimated 5 Yr. Cost	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Electric Services	Routine Capital improvements including: renewals, replacements, and other improvements required to provide service and improve the reliability of the electric system	Electric System Revenues	7,078,593	1,360,211	1,387,415	1,415,164	1,443,467	1,472,336
Electric Services	Undergrounding of Electric Lines	Electric System Revenues	40,845,466	7,392,000	7,761,600	8,149,680	8,557,164	8,985,022
Electric Services	EL Meter Upgrade	Electric System Revenues	500,000	500,000				
ITS	Information Technology Infrastructure Upgrades (50% General Fund, 25% Water and Sewer Fund and 25% Electric Services Fund)	Electric System Revenues	600,000	100,000	100,000	125,000	125,000	150,000
Public Works	Facility replacement account funding (replacement of flooring, roofing, air conditioning, painting, & other capital needs) (65% General Fund, 25% Water and Sewer Fund, and 10% Electric Fund)	Electric System Revenues	316,154	96,923	50,000	53,846	53,846	61,538
	Totals		49,340,213	9,449,134	9,299,015	9,743,690	10,179,477	10,668,897
	Totals by Funding Source:							
	Electric System Revenues		47,186,488	9,449,134	9,299,015	9,743,690	10,179,477	10,668,897

Note: No additional bond issues are anticipated in the period covered by this Capital Improvement Plan

Utilities Advisory Board

agenda item

item type Staff Updates	meeting date July 26, 2022
prepared by Wes Hamil	approved by
board approval	
strategic objective	

subject
Performance Measurement

motion / recommendation
No action is necessary

background
Attached for the review of the board is the May performance measurement report

alternatives / other considerations

fiscal impact

ATTACHMENTS:
Utility Monthly Performance Measurements- Black and White.docx

Utility Monthly Performance Measurements

The Utility Advisory Board identified performance measurements for the Electric and Water Utilities. These are activity and profitability measures used as management tools to set baseline performance measures to be reviewed monthly to implement strategies for improved performance on those baselines. This report organizes the performance measurements by service type.

Water Sewer Utility

Service Type	Measure	Goal	Mar	Apr	May	On Target
Environment	Count of Rebates Processed		3	N/A	N/A	
	Total MWh generated from Aloma solar system	>15 MWh	16.15	N/A	N/A	Met Goal
Operational	Average % Water meters reporting	>98.50%	98.2%	N/A	N/A	Near Goal
	Count of Wastewater Incidents	0	0	N/A	N/A	Met Goal
	Wastewater Incident Overflow in 1,000s Gallons	0	0	N/A	N/A	Met Goal
	Water pumped compared to CUP allocation	<12.4 mgd	10.45	N/A	N/A	Met Goal

Both

Service Type	Measure	Goal	Mar	Apr	May	On Target
Customer Service	Total calls to customer service		N/A	4,429	5,413	
	Total calls to customer service queue:					
	Billing info		N/A	1,296	1,494	
	Commercial garbage		N/A	45	52	
	Demolition		N/A	29	35	
	Turn on/off service		N/A	712	1,052	
	Average wait time for customers selecting a queue		N/A	3m 8s	2m 30s	
	Number of disconnects for non-pay		179	179	150	
Financial	Accounts receivable/billed revenue – FYTD	<10%	4.95%	5.17%	6.20%	Goal Met
	Average cost of purchased power per kWh - FYTD	<$0.05	$0.0566	$0.0581	$0.0608	Near Goal
	Average revenue per kWh – FYTD	>$0.10	$0.1224	$0.1225	$0.1242	Goal Met
	Bad debt expense/billed revenue – FYTD	<0.25%	0.21%	0.18%	0.17%	Goal Met
	Debt service coverage ratios - W&S - FYTD	>1.5	2.67	3.32	2.42	Goal Met
	Debt service coverage ratios - Electric - FYTD	>1.5	3.77	3.15	3.21	Goal Met
	Percentage of utility accounts receivable over 60 days outstanding		2.84%	2.94%	2.81%	
	Utility accounts receivable over 60 days outstanding		$144,155	$156,360	$177,827	

Index Key- the monthly data text is colored green when the change from the previous month is an improvement, and red when it is not. The On Target column is highlighted comparing the most recent monthly data to the Goal: Red if below, Yellow if Near, Green if Above.

Electric Utility

Service Type	Measure	Goal	Mar	Apr	May	On Target
Efficiency	Rate Comparison to Duke	<100%	85.6%	85.0%	86.1%	Met Goal
	Rate Comparison to State Avg	<105%	101.7%	101.9%	107.9%	Met Goal
	Solar Net new metering Customers		4	1		
Financial	Rolling 12 month kWh	418 (FY22)	422,527,629	420,842,051	418,484,791	Met Goal
Operational	Heart of Florida United Way Emergency Utility Assistance Program: Assistance provided to customers		$1,391	$1,355	$1,809	
	Heart of Florida United Way Emergency Utility Assistance Program: Available balance		$65,519	$64,164	$62,355	
	Heart of Florida United Way Emergency Utility Assistance Program: Number of customers approved for assistance		7	5	7	
	Underground System Complete (%)		71.50%	71.50%	72.00%	
Reliability	CAIDI		77.82	84.32%	93.94	
	L-Bar		103.0	124.8	120.17	
	L-Bar Rank to Peers (12 mo rolling)	Top 5	15th/19	14th/18	N/A	Below Goal
	Outage Occurrences		7	10	27	
	SAIDI		0.5	12.0	5.4	
	SAIDI Rank to Peers (12 mo rolling)	Top 5	6th/19	8th/18	Not available	Near Goal
	SAIDI Sum	< 19 Annually	34.40	45.40	47.57	Below Goal

**FMPA and FMEA data often lag 1or2 months.*

Translation Table

L-Bar	*Measures the average length of a single outage*
SAIDI	*Measures the average frequency of momentary interruption events for the average customer*
KWH	*Kilowatt hour*
CUP	*Consumptive Use Permit*
YTD	*Year to Date*
MWh	*Megawatt hour*

Utilities Advisory Board

agenda item

item type Staff Updates	meeting date July 26, 2022
prepared by Wes Hamil	approved by
board approval	
strategic objective	

subject

Financial Report for the Quarter Ended June 30, 2022.

motion / recommendation

background

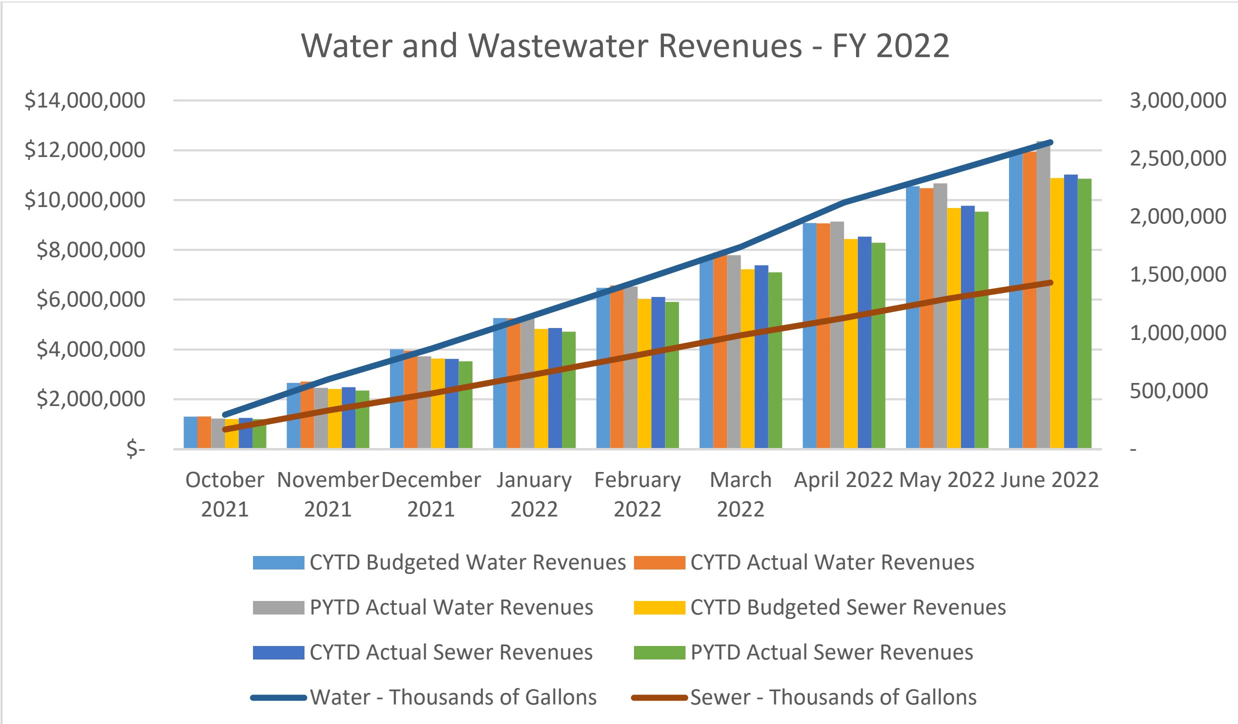
alternatives / other considerations

fiscal impact

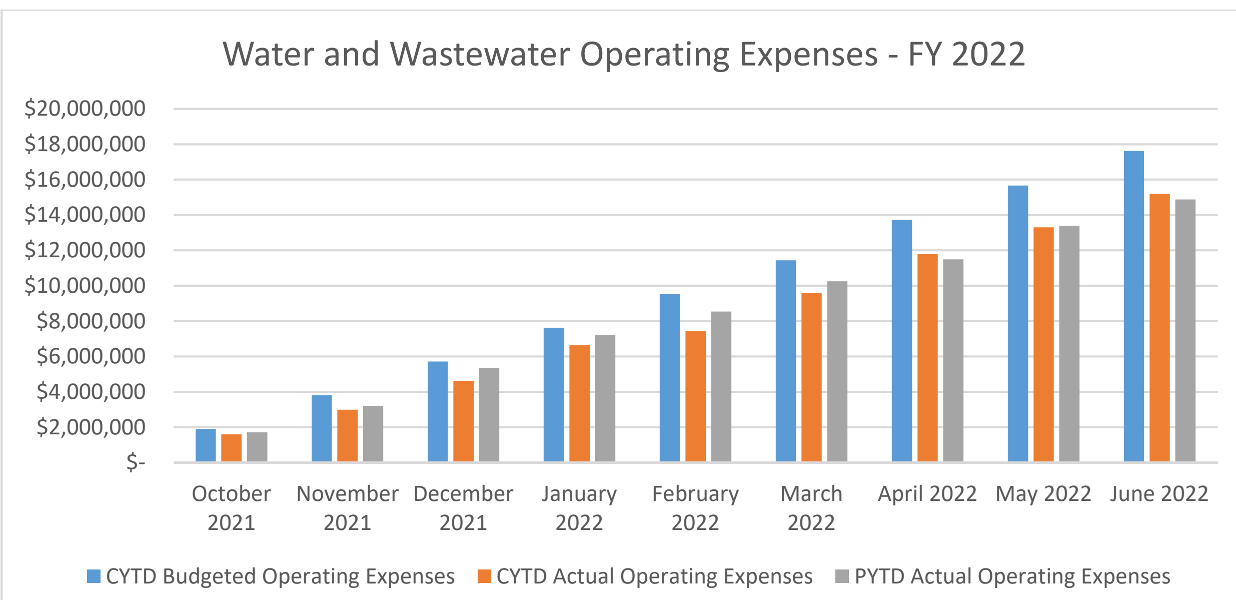
ATTACHMENTS:

UAB Financial Report - June 30, 2022.pdf

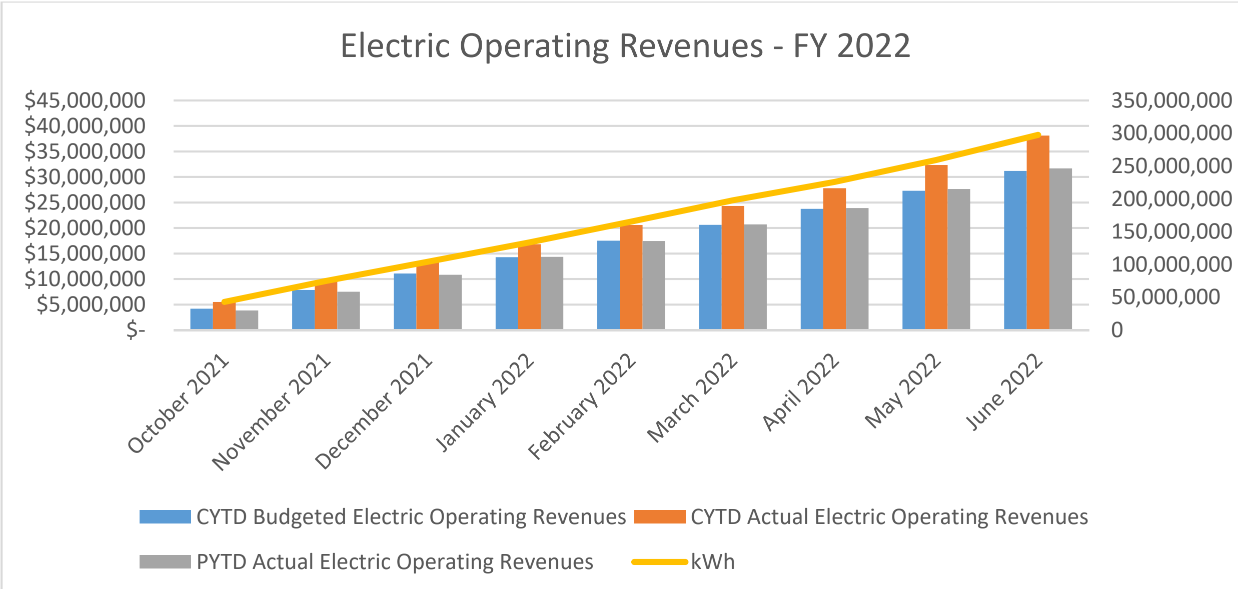
Key Financial Performance Indicators



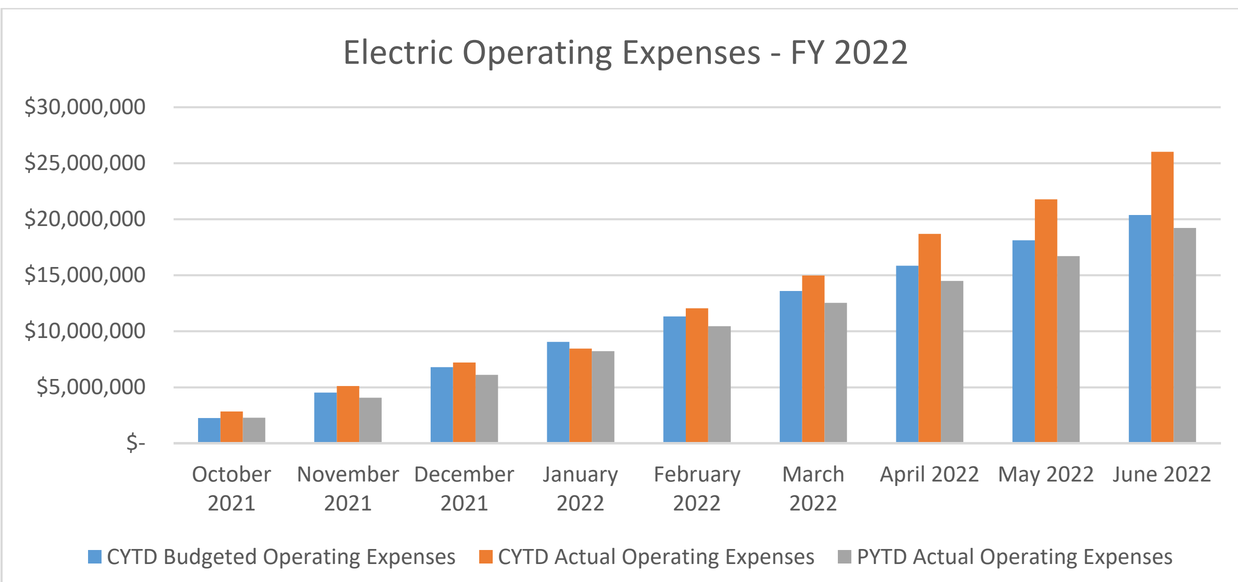
Water revenues are $23,070 (0.19%) below budget and wastewater revenues are $139,316 (1.28%) above budget.



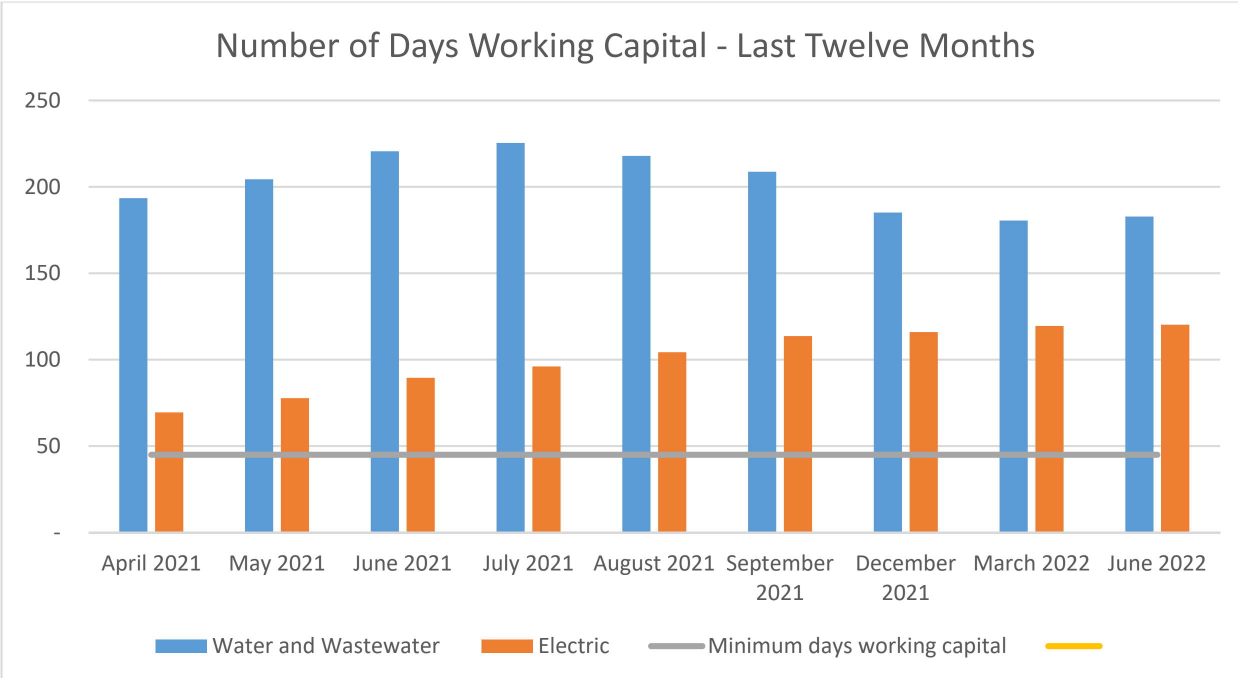
Water and wastewater operating expenses are within budget each month



Electric operating revenues are exceeding budget projections. Higher fuel rates are the reason for the significant variance from budget and prior year results.

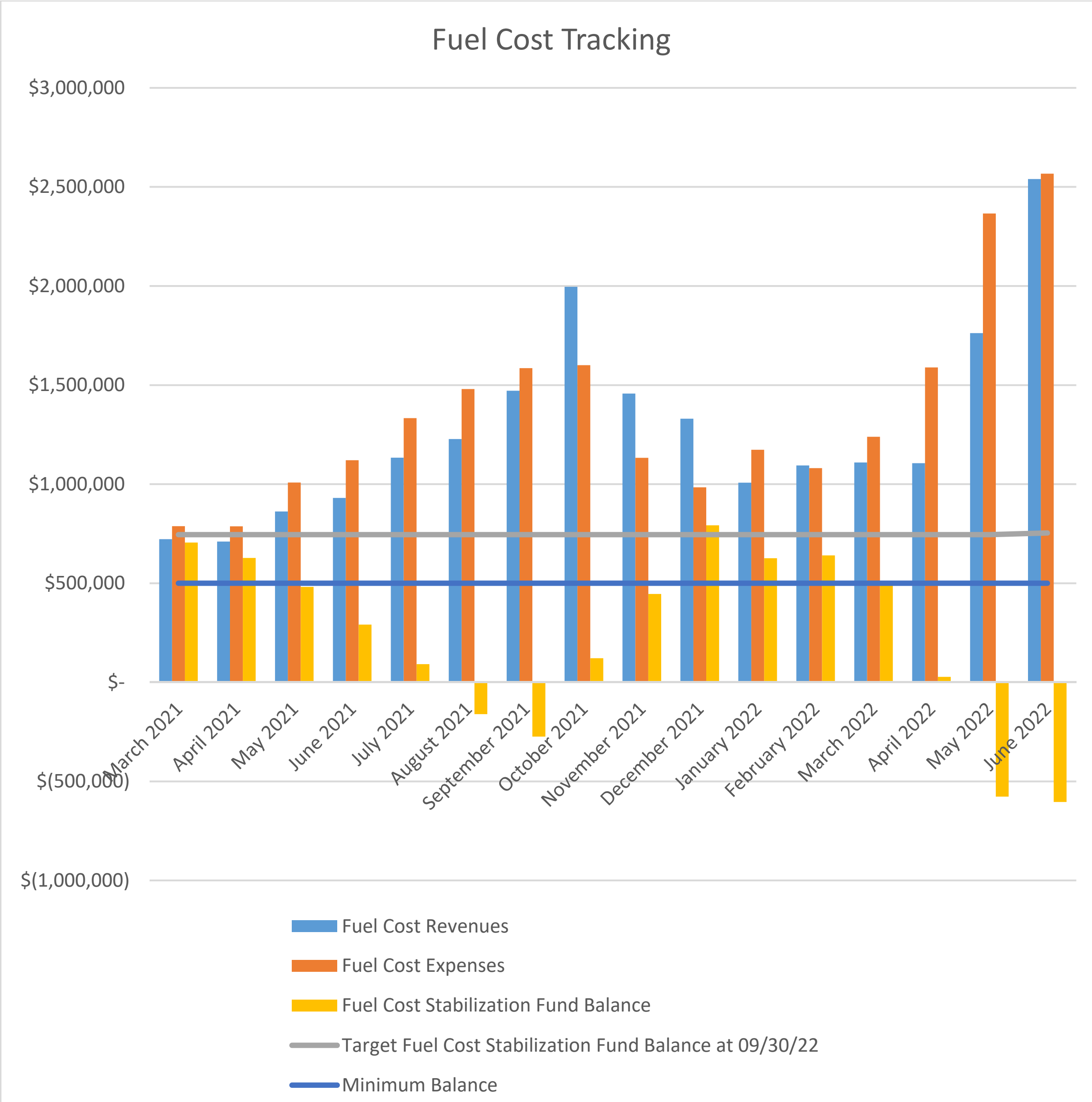


Increasing costs of fuel are causing expenses to exceed budget. Savings in vacant positions and tree trimming are offsetting some of the purchased power overage.



Number of days of working capital exceed the minimum of 45 days in both Water and Wastewater and Electric.

The orange columns below show the rising fuel costs experienced over the summer and the blue columns show our fuel rate increases to keep up with these costs.



The table below shows the impact to a 1,000 kWh/month residential customer of recent fuel cost recovery rates:

	10/01/2021	01/01/2022	04/01/2022	05/01/2022	06/01/2022	08/01/2022
Total monthly electric charges, plus taxes	$146.25	$134.28	$139.66	$154.04	$168.13	$184.57
Dollar change		($11.97)	$5.38	$14.38	$14.09	$16.44
Percentage change		(8.18%)	4.01%	10.30%	9.15%	9.78%

Management's Discussion and Analysis (Unaudited)

The following discussion and analysis provides an overview of Winter Park's unaudited and preliminary financial position and results of operations in comparison to the approved budget and prior year equivalent period.

Operating Revenues Analysis:

	As of June 30				Variances			
	Actual 2022	YTD Budget 2022	Actual 2021		Actual vs Budget		2022 vs 2021	
Water	11,940,206	11,969,474	12,136,435		(29,268)	(0.24%)	(196,229)	(1.62%)
Wastewater	11,023,732	10,899,372	10,885,601		124,360	1.14%	138,131	1.27%
Electric	37,966,691	32,996,405	31,361,818		4,970,287	15.06%	6,604,873	21.06%
Other - Water and Wastewater	1,340,817	1,377,000	1,205,742		(36,183)	(2.63%)	135,075	11.20%
Other - Electric	828,194	679,800	663,315		148,394	(21.83%)	164,879	24.86%

Budget Analysis:

Water revenues have a negative budget variance of 0.24% and wastewater has a positive 1.14% variance in comparison to budget. $5,807,411 of the budget variance for electric revenues is due to fuel revenues. Fuel rates were to keep up with increasing fuel costs. Partially offsetting this positive variance is a negative variance in residential non-fuel revenues, which is typically made up for in the summer months. The negative variance of $148,394 for other electric revenues is primarily related to contributions in aid of construction. These are charges to developers and builders for connecting to the electric grid and fluctuate with construction activity. The City estimates how much this will be and budgets for the associated cost. Developers and builders are charged based on estimated costs for their specific projects so, there is no impact to the bottom line if more or less construction activity occurs.

Prior Year Analysis:

Water and wastewater rates were increased by 1.17% effective October 1, 2021. Water sales in thousands of gallons are 2.06% higher than the prior year. Wastewater sales in thousands of gallons are 1.29% higher.

Electric fuel revenues were $6,490,362 higher than the prior year due to the fuel rate increases discussed above. Other water and wastewater revenues were lower in the prior year due to the suspension of industrial waste charges (grease trap charges) during the pandemic (resumed April 2021). Other electric revenues were higher in the current year because $415,905 was received from FEMA and the State in reimbursements for Hurricane Irma recovery costs. Offsetting this increase were less residential service line payments since residents are no longer paying directly for this service and more bad debt expense.

Operating Expenses Analysis:

	As of June 30				Variances			
	Actual 2022	YTD Budget 2022	Actual 2021		Actual vs Budget		2022 vs 2021	
Water:								
Admin	1,368,336	1,728,718	1,394,522		360,382	20.85%	(26,186)	(1.88%)
Operating	13,942,832	16,145,405	13,544,554		2,202,573	13.64%	398,278	2.94%
Depreciation and amortization	2,719,956	0	2,670,381				49,575	1.86%
Electric:								
Admin	2,149,687	2,175,372	1,460,817		25,685	1.18%	688,870	47.16%
Operating	23,760,382	19,648,759	17,864,165		(4,111,623)	(20.93%)	5,896,217	33.01%
Depreciation and amortization	2,963,749		2,948,712				15,037	0.51%

Budget Analysis:
Water and Wastewater:
Vacant positions, chemicals for water treatment, and water line maintenance were all sources of budgetary savings.

Electric:
Bulk power purchases were over budget by $5,746,941 due to fuel cost increases. Significant areas where spending to date has been less than budgeted are vacant positions, bulk power transmission costs, and tree trimming.

Prior Year Analysis:
Water and Wastewater:
Costs for wastewater treatment by City of Orlando and Altamonte Springs were $289,733 higher than in the prior year.

Electric:
Administrative costs in the current year included $617,417 in refunds of undergrounding fees.

Bulk power costs were $5,690,066 higher than the prior year due to greater fuel costs.

The City of Winter Park, Florida
Statement of Net Position
Proprietary Funds
June 30, 2022
Unaudited

	Water and Wastewater		Electric	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
ASSETS				
Current Assets:				
Cash, Cash Equivalents and Investments	$ 9,069,186	$ 9,402,269	$ 4,409,061	$ 2,494,710
Restricted Cash, Cash Equivalents and Investments	18,738	90,316	-	-
Accounts Receivable - Net	1,342,758	1,617,517	4,474,253	3,011,751
Unbilled Service Charges	2,773,860	2,474,880	5,051,195	3,826,036
Accrued Interest Receivable	20,664	39,911	-	(6,458)
Due from Other Funds	-	-	-	-
Due from Other Governments	-	-	-	-
Inventories	1,024,225	980,154	4,131,975	3,601,010
Prepaid Items	81,529	81,403	-	(725)
Advances to Other Funds	2,520,000	2,800,000	-	-
Total current assets	16,850,960	17,486,450	18,066,484	12,926,324
Non-Current Assets:				
Restricted Assets:				
Cash, Cash Equivalents and Investments:				
Sinking/Debt Reserve Funds	2,209,684	2,069,160	2,752,860	2,694,272
Renewal and Replacement Funds	7,566,145	4,964,611	-	
Impact Fee Funds	14,835,682	16,664,885	-	
Capital Project Funds	14,907	15,219	-	
Customer Deposits	1,944,103	1,755,802	2,123,691	1,996,333
Accrued Interest Receivable:				
Impact Fee Funds	36,010	58,160	-	
Renewal and Replacement Funds	10,554	13,196	-	
Special Assessments Receivable	-		7,106	20,900
Capital Assets:				
Non-depreciable	4,183,708	3,502,333	10,134,277	10,134,277
Depreciable - Net	94,408,621	95,655,487	86,614,648	83,578,349
Other Assets:				
Deposits	274,000	274,000	-	
Total non-current assets	125,483,414	124,972,853	101,632,582	98,424,131
Total Assets	142,334,374	142,459,303	119,699,066	111,350,455
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Expense on Refunding Bonds	3,346,639	3,793,053	3,272,931	3,718,587
Deferred Expense Other Postemployment Benefits Obligation	578,079	39,723	226,355	15,005
Total Deferred Outflows of Resources	3,924,718	3,832,776	3,499,286	3,733,592
LIABILITIES				
Current Liabilities:				
Accounts Payable	807,720	434,691	4,162,554	3,147,845
Accrued Liabilities	107,035	107,035	12	20
Due to Other Funds	-	-	-	-
Due to Other Governments	42,702	26,834	149,661	98,162
Accumulated Unused Compensated Absences	213,003	202,738	71,317	71,815
Accrued Interest Payable	242,351	89,332	409,110	436,772
Current Portion of Revenue Bonds Payable	3,620,000	2,085,000	3,125,000	3,010,000
Customer Deposits	1,946,845	1,755,802	2,123,691	1,996,333
Total current liabilities	6,979,656	4,701,432	10,041,345	8,760,947
Noncurrent Liabilities:				
Bonds Payable	42,023,711	46,947,479	47,780,783	50,981,078
Other Postemployment Benefits	2,045,219	1,591,431	786,008	607,858
Accumulated Unused Compensated Absences	432,510	496,687	100,441	118,706
Total noncurrent liabilities	44,501,440	49,035,597	48,667,232	51,707,642
Total Liabilities	51,481,096	53,737,029	58,708,577	60,468,589
DEFERRED INFLOW OF RESOURCES				
Other Postemployment Benefits Related Deferred Inflows	367,410	150,007	143,768	58,419
NET POSITION				
Net Investment in Capital Assets	56,310,164	53,933,613	49,116,073	43,440,135
Restricted for:				
Capital Projects (expendable)	14,864,975	16,715,882	-	
Renewal and Replacement (expendable)	7,525,561	4,928,147	-	
Unrestricted	15,709,886	16,827,401	15,229,934	11,116,904
Total Net Position	**$ 94,410,586**	**$ 92,405,043**	**64,346,007**	**$ 54,557,039**

Note: the information above does not include all journal entries that would be completed for the comprehensive annual financial report

The City of Winter Park, Florida
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
June 30, 2022
Unaudited

	Water and Wastewater			Electric		
	Actual June 30, 2022	YTD Budget June 30, 2022	Actual June 30, 2021	Actual June 30, 2022	YTD Budget June 30, 2022	Actual June 30, 2021
Operating Revenues:						
Water	$ 11,940,206	$ 11,969,474	$ 12,136,435	$ -	$	$ -
Wastewater	11,023,732	10,899,372	10,885,601	-		-
Electric	-	-	-	37,966,691	32,996,405	31,361,818
Other	1,340,817	1,377,000	1,205,742	828,194	679,800	663,315
Total Operating Revenues	**24,304,755**	**24,245,846**	**24,227,778**	**38,794,885**	**33,676,205**	**32,025,133**
Operating Expenses:						
General and Administrative	1,368,336	1,728,718	1,394,522	2,149,687	2,175,372	1,460,817
Operations	13,942,832	16,145,405	13,544,554	23,760,382	19,648,759	17,864,165
Depreciation and Amortization	2,719,956	-	2,670,381	2,963,749		2,948,712
Total Operating Expenses	**18,031,124**	**17,874,122**	**17,609,457**	**28,873,818**	**21,824,131**	**22,273,694**
Operating Income	**6,273,631**	**6,371,723**	**6,618,321**	**9,921,067**	**11,852,074**	**9,751,439**
Nonoperating Revenues (Expenses):						
Investment Losses	(2,006,163)	25,500	(100,164)	(388,463)	(28,500)	(44,970)
Gain on Disposal of Assets	5,283	-	35,746	34,843	18,750	11,815
Interest and Fiscal Charges	(1,198,076)	(876,170)	(1,354,181)	(1,511,599)	(1,244,205)	(1,617,007)
Miscellaneous Revenue	21,019	15,000	18,464	21,123	-	64,454
Total Nonoperating Revenues (Expenses)	**(3,177,937)**	**(835,670)**	**(1,400,135)**	**(1,844,096)**	**(1,253,955)**	**(1,585,708)**
Income Before Contributions and Transfers	**3,095,694**	**5,536,054**	**5,218,186**	**8,076,971**	**10,598,119**	**8,165,731**
Contributions and Transfers:						
Capital Contributions	516,091	-	438,933	-		-
Transfers In	-	-	462,000			
Transfers Out	(2,180,147)	(2,180,147)	(2,155,371)	(2,008,338)	(2,008,338)	(2,362,354)
Total Contributions and Transfers	**(1,664,056)**	**(2,180,147)**	**(1,254,438)**	**(2,008,338)**	**(2,008,338)**	**(2,362,354)**
Change in Net Position	**1,431,638**	**3,355,907**	**3,963,748**	**6,068,633**	**8,589,781**	**5,803,377**
Total Net Position - Beginning, as Restated	**92,978,948**		**88,441,295**	**58,277,374**		**48,753,662**
Total Net Position - Ending	**$ 94,410,586**		**92,405,043**	**64,346,007**		**54,557,039**

Note: the information above does not include all journal entries that would be completed for the comprehensive annual financial report

The City of Winter Park, Florida
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
June 30, 2022
Unaudited

	Water and Wastewater			Electric		
	Actual June 30, 2022	YTD Budget June 30, 2022	Actual June 30, 2021	Actual June 30, 2022	YTD Budget June 30, 2022	Actual June 30, 2021
Operating Revenues:						
Water	$ 11,940,206	$ 11,969,474	$ 12,136,435	$ -	$	$ -
Wastewater	11,023,732	10,899,372	10,885,601	-		-
Electric	-	-	-	37,966,691	32,996,405	31,361,818
Other	1,340,817	1,377,000	1,205,742	828,194	679,800	663,315
Total Operating Revenues	**24,304,755**	**24,245,846**	**24,227,778**	**38,794,885**	**33,676,205**	**32,025,133**
Operating Expenses:						
General and Administrative	1,368,336	1,728,718	1,394,522	2,149,687	2,175,372	1,460,817
Operations	13,942,832	16,145,405	13,244,172	23,760,382	19,648,759	17,864,165
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Transfers In	-	-	462,000			
Transfers Out	(2,180,147)	(2,180,147)	(2,155,371)	(2,008,338)	(2,008,338)	(2,362,354)
Total Contributions and Transfers	**(1,664,056)**	**(2,180,147)**	**(1,254,438)**	**(2,008,338)**	**(2,008,338)**	**(2,362,354)**
Change in Net Position	**1,431,638**	**3,355,907**	**4,264,130**	**6,068,633**	**8,589,781**	**5,803,377**
Total Net Position - Beginning, as Restated	**92,978,948**		**88,441,295**	**58,277,374**		**48,753,662**
Total Net Position - Ending	**$ 94,410,586**		**92,705,425**	**64,346,007**		**54,557,039**

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