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 by the board on August 23.2022.
/s/ Recording Secretary Pamela Bracko