



Utilities Advisory Board Regular Meeting Minutes

March 22, 2022 at 12:00 p.m.

Virtual

Present

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

City Staff: Daniel D'Alessandro (Director of Electric), Justin Isler (Operations Manager), David Zusi (Director of Water & Wastewater Utility), Jason Riegler (Asst. Director of Water & Wastewater Utility), Wes Hamil (Director of Finance), Clarissa Howard (Director of Communications), Karen Hood (Recording Secretary)

Guest: Navid Nowakhtar (FMPA), Craig Shepard (Leidos), Mayor Phil Anderson (City of Winter Park)

Absent: None

(1) Call to Order

Michael Poole called the meeting to order at 12:00 p.m.

(2) Consent Agenda

Motion made by Linda Lindsey, seconded by Mary Dipboye to approve the February 22, 2022 meeting minutes.

Motion carried unanimously with a 6-0 vote.

(3) Staff Updates

- (a) **Electric Utility** - Dan D'Alessandro asked if anyone had questions regarding his report that was attached with the agenda? No one had questions so he went on to report a new electrical engineer has been hired, Justin Isler has been promoted to Asst. Director, and we have a strong candidate for hiring a lineman in the next few days. The increase for .009 cent increase has been delayed for 90 days. With the cost and ability to get materials there is a potential of not meeting our goal of 2026 for undergrounding completion. Mayor Anderson's motion did not delay the implementation only the pay; we are still moving forward collecting data to determine how many conversions require an electrician. We will start making decisions whether we use a contractor or whether we need an internal position to facilitate those electrical upgrades. There several questions asked and answered.
- (b) **Water & Wastewater Utility** - David Zusi reported they are experiencing some significant issues with supply chain for materials. They had an issue with a large meter an 8" meter in trying to replace a failing meter. They called the supplier which estimates a minimal of 18 weeks out. Could become a problem if this continues because they may have to start estimating bills. They are currently stocking materials for major projects because of the supply chain issue. Questions were asked about supply chain and were answered.
- (c) **Performance Measurement** - (attachment only) - The count of wastewater incidents was 2 for January and marked green. The goal is zero and red if not zero because it is a fail (not near goal). David Zusi advised of a blockage in a line on Metric Drive that created a spill (couple thousand gallons), which was cleaned. However, when you have Sanitary Sewer Overflow (SSO), the incident is reported, and then the Department of Environmental Protection (DEP) wants to know what you are doing. The other incident was a failure at a lift station; an automatic transfer switch for an emergency generator failed to kick over. These things are checked weekly, we can go for a year without incident, but sometimes these things happen.

Justin Isler spoke about the SAIDI sum stating the collection of data had been flawed. There was an issue omitting a specific type of data. Justin has been correcting this for the last two years, so we see a rise in our SAIDI sum. We are still well below the FMPA of sixty minutes. The current SAIDI sum is directly attributed to feeder level outages that were not being captured before. One feeder level outage is a significant occurrence and will quickly spread minutes onto the system. An outage that last one hour can add five minutes to our system SAIDI. With the correction in how we collect data, we have seen a rise in that situation, but we believe we have leveled off now. So, our goal for next year is 31. The L-Bar is a challenging goal for us to make because we do not have that many outages to spread this across. Questions were asked and answered by Wes Hamil, Dan D'Alessandro, and David Zusi.

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

None

(5) Non-Action Items

- (a) Finalize assumptions for Electric Cost of Service Study and discuss related policy issues** - Craig Shepard presented and discussed the assumptions starting with the Summary of Projected Revenue Requirements. A very lengthy discussion about the contingency, the undergrounding revenue requirements, and other capital projects requirements occurred. Daniel D'Alessandro stated that the \$6,439,743 (\$6.4M) Undergrounding Revenue Requirements for the 2022 budget is based on how many miles and how much time is left to meet the goal. The \$6.4M was based on meeting our mileage goal in the desired time, not on the number of services. Craig Shepard said the total revenue requirements are needed before going into a new rate and rate design. Wes has supplied a very detailed load where about 95% of the residential meters were looked at, and it is coming out to about the same as it was two years ago. The load usage is pretty stable; the residential peak more, and the commercial is primarily stable, which is expected. One final thing to keep in mind in the next few months if it looks like there is going to be a differential between one class getting an increase, one class getting a decrease, over each rate change, how much of a cap do you want to make that percentage and how to phase that in over some time? UAB members asked questions about the assumptions that were answered by Craig Shepard and Wes Hamil.
- (b) Communication regarding the potential rate increase** - Clarissa Howard presented and described the different communications used to advise City residents and businesses of the ninety-day delay on the rate increase. Mayor Phil Anderson commented that the Commission approved two things in February. They supported the change in scope, acting on the UAB recommendation to include undergrounding the poles to the house scope and the continuing underground project. They also approved a rate change that would have taken effect and refunds. The refunds associated with the scope change were already scheduled to go out. Given the new circumstances with a Russian invasion of Ukraine and dramatic expected increases in fuel costs, we previously thought fuel costs were going down. We thought we would hit the pause button, take some time, and make sure that we understand the impact of these global circumstances on either the funding mechanisms or the schedule of the expanded undergrounding project. I am sure that staff will be looking at different funding mechanisms and timelines, throwing in the emerging supply chain challenges. We just thought that rather than have two dramatic increases in someone's power bill for fuel costs and from this change, we should push the pause button and reevaluate what the current circumstances are. There is no change in the scope, including the undergrounding from the pole to the house.
- (c) Policy discussion** - Michael Poole brought up the Solar Rate policy issues discussed a few month ago. Wes Hamil was working on what it cost the City for solar power customers; what the differential cost is. We need this information to help the UAB frame the policy. Paul Conway said Wes worked on this a few years ago and the amount paid out per customer per month was \$8 or \$9 per month on the net metering side for about fifty or sixty customers on solar, that has changed to seventy, eighty, or ninety customers now, that has not materially changed much from the actual usage for the net metering program. Paul Conway believes it is really more of a policy decision of whether the UAB believes we should continue to promote solar and provide the right program to encourage that or make it more of a financially equitable situation for all rate pairs. Mary Dipboye said a couple of commissioners are

bringing to the Commission the concept of the City adapting a 100% renewable energy goal. In Florida that means solar with some storage. That discussion will probably be underway this Spring. The perception with the City of Orlando is that you will need rooftop solar in addition to utility solar. Figuring the fact paired with storage can offer reliability benefits on a system. Michael Poole stated the City has or is engaging a facilitator or a research analyst to look at the steps to get to the 100% renewable energy. Michael Poole asked that Wes update the analysis that Paul Conway was talking about the \$8 or \$ 9 for net metering so we can look at the direct costs and the indirect costs. The discussion continued and Michael Poole said he would work on getting a list of these policy items so the board can discuss them next month.

(6) Action Items

- (a) Strategic Plan status** - Michael Poole spoke with Randy Knight this morning regarding the strategic plans. His recommendation is to do two separate strategic plans, one for Water & Wastewater and one for Electric Utility. Two separate strategy sessions would be required, and the time element is difficult for everybody. The strategic plan would be put together with UAB advice but would be driven by the City staff, and it is the staff's recommended strategy plan that the UAB would support. To accomplish this, Randy Knight's recommendation is to hire outside facilitators to help drive it, manage the meeting, and also manage creating reports, so we can help implement and monitor it. He is looking at a facilitator for both or two different facilitators who know the actual business of each utility. The hope is to have a meeting by mid-May. Dan D'Alessandro reported we are reaching out to New Smyrna to see whom they used for a similar task. David Zusi stated that some of the larger consulting firms are not as strong for Water & Sewer; he wants to see what we get so far as a response and talk internally. He believes that if they are separated, we will likely get a better response if we use two separate facilitators and run the strategic planning process simultaneously. There are operational touchpoints, and that is where we bring those strategies together that would be on a parallel course. Michael Poole asked by a show of hands if the UAB is leaning towards two separate consultants and more specialization within each utility type. Michael Poole asked staff to let Randy Knight know that the board preferred to hire two different consultants.

(7) Board Comments

- (a) Upcoming Board Items** - Discussion took place and list was revised.
- (b) Meet Your Department** - Water & Wastewater video was shown.
- (c)** Paul Conway gave UAB an update on meeting from the Broadband & Smart City Ad Hoc Committee.

(8) Adjournment

Chmn. Poole adjourned the meeting at 1:47 p.m. Next meeting is April 26, 2021

Minutes approved by the board on April 26, 2022.
/s/ Recording Secretary Karen Hood