Utilities Advisory Board Regular Meeting

Agenda

February 22, 2022 @ 12:00 pm

Virtual

welcome

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assistance & appeals

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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 regular meeting minutes, December 7, 2021.	1 minute
	b. Approval of regular meeting minutes, January 25, 2022	1 minute
3.	**Staff Updates**	
	a. Communications Department Update	20 minutes
	b. Water and Wastewater - David Zusi	10 minutes
	c. Electric Utility - Justin Isler	10 minutes
4.	**Public Comments (for items not on the agenda): Three minutes allowed for each speaker**	
5.	**Non-Action Items**	
6.	**Action Items**	
	a. Continue discussion of assumptions to be used in updating the electric cost of service study	30 minutes
7.	**Board Comments**	
8.	**Adjournment**	

Utilities Advisory Board

agenda item

item type Consent Agenda	meeting date February 22, 2022
prepared by Pamela Bracko	approved by
board approval	
strategic objective	

subject

Approval of the regular meeting minutes, December 7, 2021.

motion / recommendation

background

alternatives / other considerations

fiscal impact

ATTACHMENTS:
Board Meeting Minutes- UAB 12-7-21 draft.pdf

Utility Advisory Board
Regular Meeting Minutes

December 7, 2021, at 12:00 p.m.

Virtual Meeting

Present:

Michael Poole (Chair), Leon Huffman, Mary Dipboye, Paul Conway, Fred Guitton. Absent: Jack Miles, Linda Lindsey.

Also Present:

Director of Electric Utility Dan D'Alessandro; Operations Manager Justin Isler; Director of Water & Wastewater Utility David Zusi; Director of Finance Wes Hamil.

Call to Order

Mr. Poole called the meeting to order at 12:00 pm

Consent Agenda

Motion made by Leon Huffman and seconded by Mary Dipboye to approve the minutes from October 12, 2021, and October 26, 2021 meetings. Motion carried 5-0.

Staff Updates

A. Electric Utility

Mr. Isler reported on department staff shortages.

B. Water & Wastewater Utility

Mr. Zusi gave an update on past issues, we now have supply and availability of liquid oxygen, good samples for disinfection of by products & no longer need to send notifications regarding conserving water. In early discussion with Altamonte Springs and Orlando regarding partnering to get additional reclaimed water for Winter Park.

C. Performance Measurements

Mr. Conway asked about the call data information. Mr. Hamil indicated where it was at on the report and that the person was back who could extract the information. Mr. Conway asked about a call back feature for the customer and yes, we do offer a call back to customers who request it.

D. Financial Report

Mr. Hamil reviewed and discussed the financial report. Fuel cost is the biggest thing going on with the electric. Mr. Conway asked about adjusting the fuel cost 3 or 4 times a year.

Mr. Zusi commented that we try not to do too many adjustments on the fuel in general. We have a target, but if it goes well above or below, then we are forced to tinker with it.

Public Comments (for items not on Agenda)

None

Non-Action Items

A. Mr. Conway spoke about broadband, building out the fiber network & improving the internet service for the City. He spoke of an outside consultant helping with the project. Mr. Guitton will share information he found to help with the project. Ms. Dipboye asked about Smart City's effort. Mr. Poole commented that we have Broadband across the City. There are so many definitions of Smart City & we are trying to define it. Mr. Zusi commented that the City is also speaking to IT for internal use of Broadband, Smart city, and having discussions and opportunities related to Smart City.

B. Hiring a Consultant to address Governance by the UAB. Discussion was held on having a work session on this topic.

Action Items

A. Undergrounding

Mr. Hamil discussed undergrounding residential service lines and refunding customers who have already paid to have their service line underground. Cost scenarios were presented for Option A (refund customers $1,000 in 2022) and Option B (refund customers $25/month until the $1,000 paid has been returned to the customer). Staff recommended processing all refunds in 2022 for ease of administration. The Board concurred with this recommendation. Staff also recommended only refunding customers who paid to have their service line underground while crews were working in their neighborhood and keeping the undergrounding fee for new construction, remodels, and undergrounding outside of current project areas in place. After discussion, Mr. Guitton suggested presenting to the City Commission a recommendation to refund only those customers who paid for undergrounding while crews were working in their neighborhood.

Motion made by Fred Guitton, seconded by Paul Conway to present approval recommendation to the City Commission to increase residential rates by $0.009/kWh to pay for undergrounding residential service lines and only refund customers who paid for undergrounding while crews were working in their neighborhood. Motion carried 5-0.

Mr. Conway also suggested the recommendation to the Commission include the option of refunding all customers who have paid for undergrounding their service line. Staff will create an agenda item for the Commission.

Discussion to have Wes present financial reports only on a quarterly basis vs. monthly. Discuss open calendar dates TBD to fill in the blanks with topics to review.

The board discussed issues related to Sustainability. Mr. Zusi discussed the need to increase water and wastewater rates more significantly than the automatic index increase to ensure revenues are adequate to cover upcoming capital and operating requirements. He recommended impact fees be reviewed. Mr. Poole recommended having rate studies performed by staff or a consultant every five years.

Board Comments

Mr Zusi- stated, the current City's septic to sewer policy is as follows. Connection to the City's sewer system where it is available is voluntary. However, if the customer's septic tank or drain field fail or if a substation renovation is being undertaken to the property, connection to City sewer is required if sewer service is available. Currently, payment of the impact fee is required in full at the time the permit is issued to connect to the system. In order to ease the burden of this upfront payment and encourage connection to City sewer, staff is preparing an ordinance that would allow the payment to be spread over a 24-month period. Ideally, the utility billing system would be used to bill the customer each month.

Mr. Hamil-$110,000.00 is included in the budget for Energy Audits at City facilities. Justin said the City's Natural Resources and Sustainability Department would be overseeing these audits.

Ms. Dipboye-Update on Solar panels being installed. Per Mr. Isler, the solar panel project is going to Commission tomorrow for a vote. Mr. Zusi stated that they got good quotes from several Vendors. The Vendor chosen is Advanced Roofing dba Advance Green Technologies.

Possibly having a live meeting for the next meeting.

Adjournment

Mr. Poole adjourned the meeting at 1:17 p.m.

The next UAB meeting is scheduled for Jan 25, 2022, at 12:00 p.m.

Minutes approved the board on mm/dd/yyyy.

Respectfully Submitted
Pamela Bracko

Utilities Advisory Board

agenda item

item type Consent Agenda	meeting date February 22, 2022
prepared by Pamela Bracko	approved by
board approval	
strategic objective	

subject
Approval of regular meeting minutes, January 25, 2022

motion / recommendation

background

alternatives / other considerations

fiscal impact

ATTACHMENTS:
Board Meeting Minutes 01-25-22 draft.pdf

Utility Advisory Board

Regular Meeting Minutes

January 25, 2022 at 12:00 p.m.

Virtual Meeting
Winter Park, Florida

Present:

Michael Poole (chair), Linda Lindsay, Fred Guitton, Mary Dipboye, Paul Conway

Also Present:

Director of Electric Utility Dan D'Alessandro: Operations Manager Justin Isler: Director of Water & Wastewater Utility David Zusi: Director of Finance Wes Hamil.

Craig Shepard, Jason Riegler, Navid Nowakhtar

Call to Order

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

Mr. D'Alessandro did the roll call.

Consent Agenda

December 7, 2021 minutes were not available to be approved.

Staff Updates

A. Electric Utility

Mr. D'Alessandro explained, departments are short staffed. Working with HR to fill positions. Commission passes underground service process to start. Request for Proposal (RFP) verses Internal Electrician. We will start doing service now & determine if an outside source is needed or hiring an Electrician. We will be putting together a Communication to get the Undergrounding information out to the Residents.

B. Water & Wastewater Utility

Mr. Zusi commended board for effort to push undergrounding & appreciates Board support & Mr. Poole's leadership. Mr. Zusi went over graphs showing water sales, irrigation & rainfall & how it's trending. Consumption use renewal is in the year 2025. Plan is to expand the reclaim water which comes out of our existing waste water treatment plant and that water will, gallon for gallon capture back water we have available for portable consumption. This will be tracked. Reclaimed water is primarily going to Golf Courses, Cemetery's, Parks, etc. St. John's is not increasing capacity, what you have is what you have. FDEP did an annual unscheduled sanitary survey on our water treatment plants & they do a very detailed look at the record keeping, log books, how your sites look for cleanliness. Our 3 water treatment plants and our 1 re-pump storage facility had no deficiencies.

C. Performance Measurements:

Mr. Zusi spoke of the solar panels & being below target due to cloudy days which cannot be helped, we can only set goals but cannot control what happens. Mr. D'Alessandro is heading up a project to install solar panel covered parking to produce solar energy from the rooftop. Mr. D'Alessandro commented that they came out with a ground penetrating radar & getting ready to cut ground.

D. Financial Report

Mr. Hamil spoke in regards to the financial report with explanations of the graphs. Spending is below budget due to vacant positions and chemicals for Water and Wastewater. Electric revenues and expenses for the first quarter are ahead of budget due mostly to fuel revenues and costs. Jerry Warren helps in determining fuel cost recovery rates. He monitors the actual costs and future prices, most significantly, natural gas and gives us adjustments to make. Will be looking at water and wastewater rates in the Spring to address operating costs and capital requirements such as the relocation of utility lines for SR 434 widening. Per Mr. Zusi those are projects, ran & scheduled by other entities such as FDOT or the County. Mr. Hamil commented on our Bulk Power contracts with FMPA & OUC which continue to provide savings to build our cash balance in the electric fund. Fitch Ratings is going to be updating its credit surveillance & we expect to remain an A+ rating in electric. No questions were asked, very thorough presentation was given. We will start doing financials on a quarterly rather than a monthly basis.

Public Comments (for items not on Agenda)

None

Non-Action Items

1. Mr. Conway was able to get a workshop session with Broadband/Smart City Committee on Jan 13, 2022. Mr. Conway feels we need an outside consultant source to provide help with the infrastructure of providing Internet service to the Community. He provided an Action Plan slide explaining the steps that need to be taken.
2. Mr. Poole spoke of hiring a Consultant to address governance by the UAB. Mr. Zusi commented that Commission has a workshop scheduled to talk about this. We would like to get their input in moving forward. Mr. Hamil commented that the next step is probably to take the UAB's recommendation regarding a consultant to the City Commission for consideration. Funding for this work was not part of the FY 2022 budget. Mr. Poole commented that the discussion was approved over 90 days ago and was disappointed that this has not been addressed. He mentioned that Randy Knight had the ability to approve $75,000.00. Mr. Poole stated that in his own personal conversations with the Commission they were quite interested in this and approved it. Mr. Hamil commented that the discussion of UAB governance has not been added to the City Commission's work session schedule but, is on a list of potential topics.
3. Mr. Poole discussed information about the Net Metering. Mr. D'Alessandro indicated that we buy power at a wholesale rate & we reimburse net metering at a retail rate. It makes no sense. This needs to be brought to the Board for advice. The reimbursement is growing substantially. Ms. Dipboye commented that there needs to be more discussion on this topic, but a Community wide conversation, not just one discussion. Mr. Poole suggested we do an analysis to get a true sense of what it's costing the City from a financial point of view. We need to see if there is a loss of revenue from solar. In depth discussion continued in regards to net/solar metering.
4. Mr. Poole discussed marketing & communications plan for Electric, Water & Wastewater strategy. It needs to be communicated to the Community all the good things that the City is doing for the Residents such as undergrounding. More articles can be written, maybe utilize Facebook, newsletter, texts, social media. Flyers are sent out with the bills, but how many customers actually look at them?
   In depth discussion in regards to Marketing Strategies and how to communicate it to the Community.

Action Items

1. Mr. Hamil spoke on the Electric Cost of Service Study. This will now be discussed on February 15, 2022 at 2:00 p.m. and will be planned for an hour.

Board Comments – we have this same discussion in the December 7 meeting. Not sure which is the meeting where the energy audits were discussed. Maybe it was both.

Ms. Dipboye asked about doing energy audit allocation & understands that there is $110,000.00 allocated in the budget for the audits. Mr. Hamil spoke & said this is under Electric Fund. The City just brought on a new Director for Natural Resources and Sustainability who would manage it. These are energy audits that are done on internal City facilities. This should be published to the Community to let them know the City is taking measures to reduce energy consumption at its facilities. Mr. Zusi suggested bringing back Communications and Sustainability to attend the UAB meetings, potentially quarterly.

Adjournment

Mr. Poole adjourned the meeting at 1:32 p.m.

The next UAB meeting is scheduled for Feb. 15, 2022 at 2:00 p.m.

Minutes approved the board on mm/dd/yyyy.

Respectfully Submitted

Pamela Bracko

Utilities Advisory Board

agenda item

item type Staff Updates	meeting date February 22, 2022
prepared by Pamela Bracko	approved by
board approval	
strategic objective	

subject

Communications Department Update

motion / recommendation

background

alternatives / other considerations

fiscal impact

Utilities Advisory Board

agenda item

item type Staff Updates	meeting date February 22, 2022
prepared by Pamela Bracko	approved by
board approval	
strategic objective	

subject

Water and Wastewater - David Zusi

motion / recommendation

background

alternatives / other considerations

fiscal impact

Utilities Advisory Board

agenda item

item type Staff Updates	meeting date February 22, 2022
prepared by Pamela Bracko	approved by
board approval	
strategic objective	

subject

Electric Utility - Justin Isler

motion / recommendation

background

alternatives / other considerations

fiscal impact

Utilities Advisory Board

agenda item

item type Action Items	meeting date February 22, 2022
prepared by Wes Hamil	approved by
board approval	
strategic objective	

subject
Continue discussion of assumptions to be used in updating the electric cost of service study

motion / recommendation
Reach consensus on assumptions to be used by Leidos in updating the electric cost of service study

background
At the February 15 Utilities Advisory Board (UAB) work session, Craig Shepard with Leidos reviewed planned assumptions for updating the 2021 electric cost of service study. The UAB offered input and agreed to discuss the matter further at its regular February meeting.

alternatives / other considerations

fiscal impact
$15,000 to update the 2021 electric cost of service study

ATTACHMENTS:

Timeline for Updating Electric Cost of Service Study and Addressing Time of Use Rates.docx

Timeline for Updating Electric Cost of Service Study and Addressing Time of Use Rates

November 2021 - January 2022:

Staff to work with Leidos to prepare an update of the electric cost of service study (COSS).

February 2022:

Assumptions used in the study will be reviewed with the UAB

March 2022:

Draft Study to be presented to the UAB at its March meeting. This update will be based on the FY 2022 adopted budget, funding for undergrounding service lines and refunding previous payments for undergrounding service lines (as approved by City Commission) and will include options for both retaining and eliminating time of use (TOU) rates.

April 2022:

Final decision by UAB regarding whether to recommend to the City Commission to eliminate TOU rates and agreement on rate options to present to the City Commission.

May 2022:

Present revised rates to become effective October 1, 2022 from COSS to City Commission

June 2022:

Communicate upcoming rate changes to all electric customers via utility billing flyer. If TOU rates are eliminated, develop letter to all TOU customers advising them of the change and projected impact to their accounts.

October 22:

Implement rates from electric cost of service study