# Utilities Advisory Board Regular Meeting Minutes

**July 23, 2024 at 12:00 PM**

City Hall Commission Chambers
401 S. Park Avenue

**Present**
Kathryn Sutton, Mary Dipboye, Alison Yurko, Paul W. Smith Jr., Leon Huffman, Paul Conway,

**Absent**
Michael Poole

**Staff Present**
Director of Water and Wastewater Utilities David Zusi, Director of Electric Utility Jamie England, Electric Utility Operations Manager Miguel Cruz, Electric Utility Engineer Manager Mourad Belfakih, Integrated Resources Program Manager Lisa Vedder, Director of Natural Resources & Sustainability Gloria Eby, Director of Communications Clarissa Howard

## 1. Call to Order

Ms. Dipboye called the meeting to order at 12:01 p.m.

## 2. Selection of Chair and Vice Chair

**Motion made by Ms. Yurko to nominate Michael Poole as Chair, seconded by Mr. Huffman, agreed by consensus. Motion made by Ms. Yurko to nominate Mary Dipboye as Vice-Chair, seconded by Mr. Huffman, agreed by consensus.**

## 3. Consent Agenda

a. Approve the minutes of June 25, 2024

**Motion made by Mr. Conway to approve the minutes, seconded by Mr. Smith.**
Discussion of the minutes:
Mr. Conway stated under Board Comments Item 7, the reference to the EV rate strategy status was incorrect. The reference was to the EV charging station status and when it was going to go before the Commission. The second point made by Mr. Conway, is under Staff Update 6a, Ms. Sutton asked about the service lines being

included in the underground program and her question was the timing associated with 2030. The answer is that we are doing service line connections as we go through each project phase, but it's not going to be done with 2030 with the rest of the distribution underground. One is timing, and the other is association of service drop undergrounding. The third point made by Mr. Conway was under Staff Updates David Zusi at the bottom it says, "we discussed with Ms. Vedder the recently added production data for city solar arrays." It doesn't draw the attention to what the Board had recommended and the outcome of that. We had a big debate on the best way to represent that. The minutes ought to reflect the outcome of that rather interesting discussion. Lastly, Mr. Conway would like to strike anywhere dark sky or decorative lighting is referenced and begin using the modernized framework that has been asked every month.

**Motion made by Mr. Conway to have city staff rewrite the minutes according to the updates, seconded by Ms. Sutton, Motion carried unanimously with a 6-0 vote.**

After listening to the audio recording, points 1-3 were updated in the June 25, 2024 minutes. As to point 4, the minutes reflect the verbiage that is spoken during the meeting. Going forward, Staff and Board Members will need to refrain from using DarkSky© or decorative lighting when discussing this issue.

**4. Public Comments (for items not on the agenda)**

**5. Action Items**

**6. Non-Action Items**

**7. Staff Updates**

a. Meet Jamie England - Electric Director

Ms. Dipboye welcomed the new Director of Electric Utilities Jamie England. Mr. England introduced himself and was asked by Ms. Sutton his approach to the job given his 35 years experience. Mr. England answered that he sees himself as a sponge, understanding the processes and the people that are in place and how things are done. He stated, based on his experience, his intention is to make improvements on areas that need it.

Board moved to agenda item f. where Director of Natural Resources & Sustainability Gloria Eby presented an update on sustainability and how it affects the city's clean energy future. Ms. Eby introduced herself and advised that her update will be a segue to Lisa Vedder's presentation on the Integrated Resource Plan (IRP). Ms. Eby recently met with Ms. Vedder to update the roadmap timeline related to renewable energy and the associated chapter in the Sustainability Action Plan (SAP). The SAP is currently being updated for the year-trending analysis and indicators. The resulting Report Card will be presented to the Keep Winter Park Beautiful and Sustainable (KWPBS) Board, and then to UAB.

A concern about the condition of utility boxes throughout Winter Park was raised by the KWPBS Board. The question was asked of the number of utility boxes in Winter Park. Mr. Belfakih estimated approximately 3K.

Ms. Eby announced the vulnerability assessment study will conclude in September. A $100K grant was given by the Florida Department of Environmental Protection (FDEP) for the study that basically takes the assets of the city and advises what is vulnerable to flooding; utilities, roads, hospitals, critical structure for the community and services. The presentation will be in September at the KWPBS Board. Ms. Eby invited members of UAB to a number of upcoming KWPBS events.

The green boxes (transformers) visuals were displayed. Ms. Eby advised that the boxes were communicated by KWPBS Board as not being Winter Park beautiful. Ms. Sutton asked if the KWPBS Board had any recommendations or proposals as to what they would like UAB to consider. Ms. Eby stated the KWPBS Board requested her to bring awareness to UAB and to have discussion on options with UAB. The Board discussed shrubbery and painting the transformers. Mr. Belfakih offered that decorative painting will invite children. He suggested painting them normal military green. Mr. England advised that the issue is not unique to Winter Park and pointed out a couple of concerns. The first concern was that often the discoloring on transformers are caused by customers through irrigation lines that are directly in line with the equipment. Painting them may only last a year. With shrubbery, the front of the transformer shows a sticker that depicts the reasons for restrictions as well as where shrubbery can be placed. It's for the protection of the employee. There are many safety factors that are built into the device, but devices can fail.

Ms. Dipboye asked for a solution. Mr. England advised the first thing would be a site visit to determine the cause for the particular transformer. Second thing would be sitting down with the customer, and laying out their expectations and then coming up with a resolution that's fitting for both the City and the customer. There will be a funding component to it because, once one is painted, several others will need to be painted.

Communications Director Clarissa Howard advised that her department is liaison to the Public Art Advisory Board. If UAB Board chooses to paint specific boxes, then the Public Art Advisory Board would engage in the soliciting for artists, the type of paint materials and things of that nature.

Ms. Sutton asked Ms. Eby when the Report Card that was discussed earlier would be ready. Ms. Eby answered in the fall. Ms. Sutton asked for a copy of the Report Card for the Board when available. Ms. Dipboye asked for recommendations and a timeline regarding the boxes. Mr. Belfakih advised September. He will try to get an average of how many bad looking transformer boxes there are and asked the Board how many transformer boxes would they want to work on per year. Mr. Conway asked for the magnitude of the customer complaints. Mr. Belfakih advised he has received approximately fifteen (15) calls in two (2) years for painting the boxes. Discussion followed as to whether or not the painting of the boxes is warranted. Mr. Belfakih will bring his recommendations to the board in September.

b. Electric Utility - Jamie England

Mr. England went over the monthly electric utility update document specifically the undergrounding conversion project and reviewed the remaining projects.
Mr. Conway asked Mr. England if he had a chance to look at the City's readiness for hurricane season. Mr. England advised that he will sit with staff this week to go over the hurricane preparedness plan.

c. Water & Wastewater Utility – David Zusi

Mr. Zusi stated the kickoff meeting for the strategic plan was attended by board member Paul Conway, staff administrative group and a consultant. They are following up with doing further interviews with staff members, representative people from all different levels of water & wastewater, all the other departments that interact with water & wastewater throughout the city and other large stakeholders. Ms. Dipboye asked if the Board will be interviewed individually or as a group. Mr. Zusi answered the meetings will be with the whole board as a collective as Mr. Conway represents the board at meetings.

Mr. Conway announced that he was incredibly impressed with the project in the Kickoff meeting and he was the first interviewed person after that kickoff meeting. The thought is to come back to UAB with a framework of ideas so that the Board could weigh in on where the emphasis should be. One of the outcomes is the creation of a framework of all of these key priorities and the actions to support them over a period of time and it sort of just captures all the big highlights. Mr. Zusi described the document as a one page guiding principle summarization document of the strategic plan for the utility department.

Another area staff is working on is regulatory requirements with regard to lead and copper rule revisions. Letters will be sent to customers inquiring of the materials on their side. The City side has a good handle on it. If unknown on the customer's side, it will be designated as unknown, possibly lead. It isn't lead, but that's the way it has to be stated. Our team is working with Ms. Howard's group in communications. The first letter informs people what is happening. A website will be dedicated to the project. Reports are due in the middle of October. This is a regulatory requirement that we're working to satisfy. The next letters will address the service lines that are unknown, possibly lead or service lines that are plastic which are fine. Unfortunately, the required language after October, may sound scary. Ms. Sutton asked when the kick off communication will happen. Mr. Zusi stated in the next couple of weeks. The follow up letter will be towards the middle of October after collecting the data by October 15th.

Mr. Zusi explained the reason for the regulatory requirement stems from the Flint, MI debacle. Mr. Huffman asked if he replaced the service line would a permit be required. Mr. Zusi said yes . Mr. Huffman asked if permits could be checked. Mr. Zusi said that could be a way to mine some of the data, but the data was probably not digitized back then.

d. Performance Measurement – Wes Hamil

Mr. Hamil presented the monthly performance measurement report and reviewed charts. There are accounts that people left that had a credit balance and the City owes them money. The City had more outstanding owed to the customer past 60 days on inactive accounts than was owed to the City. Mr. Huffman asked if it was mostly deposits. Mr. Hamil answered yes, after the remaining balances on inactive accounts have already had deposits applied.

Mr. Conway stated with October approaching there is always a discussion around whether the rate is increased or not. Mr. Hamil stated there are no planned increases in non-fuel rates. Mr. Conway asked for clarification on the mandate when the utility was purchased to stay within 95% of State average. Mr. Hamil stated there's no mandate. Mr. Conway stated, if there was a mandate or a target to remain competitive within 95% sitting on 87%, if money is left on the table, spending could be on the lighting program. Mr. Hamil advised that it is a policy question for the board to consider if it wants to recommend increasing rates to be able to invest more in the lighting modernization or undergrounding. There's room to do that and still have rates that are comparable to those throughout the State. However, once fuel rates are increased, the difference between the City and the average will shrink. Mr. Conway asked Mr. Zusi if the percentage was 95%. Mr. Zusi stated that he didn't know that it was a percentage. The promise was increased reliability and efficiency and always to be less than Duke. There was continued discussion on if there was a policy or not with no definitive answer.

e. Educational Campaign – Clarissa Howard

Ms. Howard displayed the August utility bill insert. The rate comparison chart is done every quarter and will be included in the Winter Park Update newsletter to hit mailboxes in September. The Update will include a budget article. Our team is working closely with Mr. Zusi's team on the lead and copper communication because we want the friendly letter out before the scary Federal regulations letter. The information, Mr. Zusi mentioned that no lead has been found in the last three decades is important to have in the letter.

f. Sustainability Plan/IRP Status Update - Gloria Eby & Lisa Vedder

Lisa Vedder provided an update on the IRP Roadmap. There were two milestones for the short term. The first was the Commission adopting a real target that happened in January of 2024 as opposed to the summer of 2023 as anticipated in the Roadmap. The other milestone was creating and funding a position to manage the process. The study assumes the position was full time. The position as implemented is split between IRP activities and bulk power management. The position has taken over all bulk power and fuel forecasting responsibilities for the electric department that had previously been performed monthly by two outside consultants. Ms. Dipboye asked if this was slowing down Ms. Vedder's work on the Roadmap. Ms. Vedder stated that since fewer resources are assigned to the Roadmap, timing delays for Roadmap milestones may occur. However currently there is no indication that these delays will impact ultimate goal achievement. Rate studies are in the budget for next fiscal year and certain milestones are predicated on the results of that effort.

Another milestone was the strategic plan for the electric department that's been on hold pending our new director. One of the recommendations that's ongoing from the IRP is to focus on bulk renewable purchases. The City's peak has been around 100 megawatts (MW). Given historic usage patterns, there is a limit to how much solar can be subscribed before potential balancing penalties may be incurred. To incorporate more than 30 to 50 MW into its power portfolio, the City will need non-renewable (conventional) balancing resources as well as agreements to manage imbalances.

Our team has been working with the Florida Municipal Power Agency (FMPA) to procure solar from new facilities. We initially contracted with three (out of five) greenfield solar facilities, through FMPA, for 30 MW over the next several years. Five (5) megawatts of that power is scheduled to come online at the end of August. Starting in September, the City should have 5 MW of new solar in our portfolio. The remaining 4 projects have had some restructuring and required renegotiation. These contracts were entered into before COVID. My time has been spent working through restructuring and renegotiating these contracts. As of yesterday, the new terms and the new arrangements were unanimously approved. Instead of 5 more MW of solar in July 2025, we're going to get 18 additional MW of solar in January 2026. Our final 7 MW of Osolar (out of 30 MW) will come from a different project than initially contracted around July 2026. Ms. Dipboye asked if the solar are for different locations. Ms. Vedder confirmed there are 3 separate projects and 3 separate locations.

Mr. Huffman asked if the total is 30 MW. Ms. Vedder confirmed this amount. Mr. Huffman asked if trying to get 100 MW, or anything over 50 MW, will require redundant fossil-fuel generation. Ms. Vedder stated that the electric system has to constantly be balanced in real time. Whatever amount of supply the City purchases, must be used in real time. There are penalties for being out of balance. If we were to contract for more solar than we use, or more of any resource than we use, we could get penalized by our balancing authority for actions they take to balance the load on our behalf. The more variable energy you have, the costlier.

Ms. Dipboye asked if energy efficiency is part of the plan. Ms. Vedder confirmed it is and helps reduce the amount of power we need to purchase, but also decreases sales. Mr. England stated that Ms. Vedder has a well-balanced approach on what the bulk purchasing part is, as well as what the sustainability plan should or can be. It's an important component for those two items to be combined. Ms. Eby stated that, as part of the SAP, Ms. Vedder meets with her department regularly. Together they are making sure the Roadmap is updated and monitored. Ms. Dipboye stated that sustainability or even alternative sources, even though it might affect profit has to be a priority.

g. Financial Report - Wes Hamil

Mr. Hamil displayed the first nine months financial report and advised the financial report is done once per quarter.

- Water and wastewater revenues graph - Estimated revenues are exceeding projections. Ms. Sutton asked what was driving them. Mr. Hamil answered that higher than projected sales in terms of thousands of gallons.
- Water and Wastewater operating Expenses chart - the blue column represents the budgeted spend for the first 9 months of the fiscal year showing that we’re staying within the budget.
- Electric utility operating revenues chart - the projected non-fuel revenues for non-fuel electric are approximately 3% behind where actual is. The fuel revenues are not as high as budget. The goal is to recover cost over time. Fuel rates were reduced January one, because we were in over recovered state. Likely increasing those rates in the next 2 to 3 months, depending on how July and August go.
- Electric services fund operating expenses chart - Budgeted non-fuel expenses are within the budget. The fuel purchases are less than was estimated.
- Number of days working capital - last four quarters chart - We have a policy requirement of maintaining 45 days of working capital for both electric and water /wastewater utilities. Both are above that ratio.
- Fuel cost tracking chart - The target is 10% of our fuel budget rounded up to the next even $100K, in this case $1.4 million.

- Balance sheet and income statement- we've improved by almost 2 million dollars over the prior year in water and wastewater unrestricted cash. Electric Inventory is much higher than the year before. The increase in transformers and undergrounding has caused some depletion in cash.
  Spending is within budget and bottom lines are solid for both water and wastewater and electric.

## 8. Board Comments

Mr. Conway would like to discuss in a future meeting the rate going into October 1st if it should be adjusted or not. Secondly, a readout of Mr. England's thoughts on our hurricane preparedness. Mr. Zusi stated the city did a mock EOC preparedness meeting with all the departments. Ms. Dipboye suggested spending an hour recapping the board's last five years for the new members. She suggested having an orientation in September. Ms. Sutton suggested including updates to sustainability plans and any background materials that go with it.

## 9. Upcoming Agenda Items

Ms. Dipboye stated in the August meeting the Board will decide how to do the orientation. Ms. Dipboye advised that keeping in touch with the two strategic plans could be a standard item for the agenda. Mr. Zusi agreed to do it.

a. Solar & Net metering (Sept. presentation)

After last month's discussion about how to evaluate solar array metrics, Ms. Dipboye and Ms. Vedder had a follow-up discussion and will be on a call this Thursday with Lisa Percy the CEO of 15 Lightyears, the company that installed two of the three City solar arrays. Ms. Percy's Company does solar array monitoring for the City of Orlando. A recommendation on how best to provide solar metrics to the Board is the anticipated result of the discussion.

Mr. Conway stated that the policy should reflect what the City is or is not going do to encourage adoption of residential solar. Ms. Dipboye asked for clarification of the City's goals toward solar. Discussion of a NEM policy framework ensued. Ms. Vedder's responses were not heard. Mr. England explained the solar rate structure is very complicated, especially when dealing with residents that incur tens of thousands of dollars in expense to install enough panels to produce. To encourage participation in rooftop solar over the years, customers were paid at a retail rate as opposed to what larger companies are moving towards, a wholesale rate. Such a change has a significant impact on the customer's financial outcome and investment paybackMs. Vedder's September presentation will address: potential issues around changing rates that have been in place since 2014; what similar entities have experienced when trying to go from NEM with full retail compensation—running the meter backwards and having a bill of zero—to recovering the utility's fixed costs per customer; options for fixed cost recovery; and recommendations. Ms. Dipboye suggested that part of the discussion needs to be looking at benefits, if any, of full retail NEM compensation.

**10. Adjournment**

The meeting adjourned at 1:39 p.m.

Approved by the board on August 27, 2024
/s/ Bahiyyah Layton, Board Coordinator