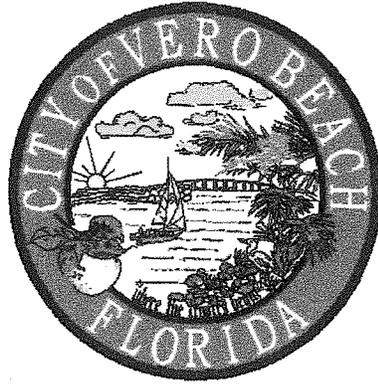


2D-5)



UTILITIES COMMISSION

ANNUAL REPORT

2015

Missed Meetings

12/18/2015

ID	Board/Commission	Name	Missed Meeting Date	Excused	Unexcused
441	Utilities	Robert Blumstein	1/20/2015	X	Removed
442	Utilities	Scott Stradley	1/20/2015		X
443	Utilities	Bob Russell	1/20/2015		X Resigned
469	Utilities	Scott Stradley	3/17/2015	X	
470	Utilities	Scott Stradley	4/28/2015	X	
471	Utilities	Richard McDermott	4/28/2015	X	
472	Utilities	Bill Teston	4/28/2015	X	
521	Utilities	Richard McDermott, Jr.	8/11/2015	X	
522	Utilities	Scott Stradley	8/11/2015	X	
523	Utilities	William Teston	8/11/2015		X Replaced (now on cbb)
546	Utilities	Herb Whittall	10/5/2015	X	
547	Utilities	Judy Orcutt	10/5/2015	X	
548	Utilities	Bill Teston	10/5/2015	X	
549	Utilities	Herb Whittall	10/12/2015	X	Replaced
550	Utilities	Herb Whittall	10/16/2015	X	Replaced
567	Utilities	Herb Whittall	11/10/2015	X	Replaced
568	Utilities	Laura Moss	11/10/2015	X	
569	Utilities	Scott Stradley	11/10/2015	X	
570	Utilities	Bill Teston	11/10/2015	X	

TO: Jay Kramer, Mayor and
Vero Beach City Councilmembers

FROM: Vero Beach Utilities Commission

DATE: January 14, 2016

RE: 2015 Annual Report

To continue to facilitate the downward trend to obtain the lowest possible sustainable utility rates and the efficient operation of the utilities. To provide detailed information in a friendly format to the public regarding the finances and operations of the utilities through the following activities:

ELECTRIC – 2016 OBJECTIVES

- Continue to monitor FMPA issues
 - Receive regular reports from the City's representative
 - Monitor the financial health of FMPA
 - Discuss who should be the City's representative
- Continue to monitor and make recommendations to the City Council on the sale of the electric system to FPL and closing of the Power Plant
- Continue to work closely with the Finance Commission
- Monitor the budget process
 - Assess quarterly operating performance and variance analysis
 - Review the City's recommendation on rates
- Monitor renewable interconnects to the electric utility system
- Monitor the adoption of solar power in Indian River County

- Work with the City Manager and staff to perform a comprehensive comparison and analysis of the differences in utility rates and operations between the City of Vero Beach and Ft. Pierce municipal electric utilities
 - Report to the Utilities Commission analyzing these differences, as well as identifying potential best practices that could be used by the City in its operations.
- Monitor the magnitude, frequency, and duration of power outages, as well as the causes

WATER AND SEWER – 2016 OBJECTIVES

- Monitor the health of the Lagoon as it relates to Water and Sewer
 - Work with staff to find ways to reduce the nutrient levels in the reuse water
 - Receive STEP System updates and review STEP System marketing
- Continue to make recommendations and encourage open lines of communication with the County
- Continue to work with staff on optimization
- Monitor the industry standards on maintenance of facilities
- Monitor the budget process
- Assess quarterly operating performance and variance analysis
- Work with the Water and Sewer Department to find ways to reduce the nutrient levels in the reuse water
- Continue to advise the City on the reduction of the total maximum daily load of pollutants to the Lagoon

- Provide detailed information in a user friendly format
- Monitor potable quality and quantity

STORMWATER UTILITIES OBJECTIVES

- Monitor the proposed stormwater utility
- Review the Consultant's report

2015 MEETINGS

In 2015 the Utilities Commission held six (6) regular meetings and four (4) joint meetings with the Finance Commission. There were presentations made by Mr. Schef Wright, Attorney; Ms. Cindy Lawson, Finance Director; Mr. Monte Falls, Public Works Director and Mr. Jim O'Connor, City Manager.

Discussions:

- The Septic Tank Effluent Pump System (STEP)
- FMPA
- OUC Contract
- The All Requirements Project
- Bonds
- Indian River Lagoon
- Lawsuit filed by Indian River Shores
- Quarterly Electric Utility Rate Sufficiency
- Breakdown Analysis of the costs and savings associated with the proposed purchase of peaking capacity from OUC and closing down the Vero Beach Power Plant
- Stormwater Utility Study
- Electric System Study
- Quarterly Financial Report and Variance Analysis
- Summary of Preliminary Electric System Rate Study Results
- Reducing Electric Cost
- Water and Sewer projects

Recommendations Made Throughout the Year:

- That the City Council send a letter to the other cities that their representatives on the Board of Directors of the FMPA be Elected Municipal Officials
- That the City Council approve negotiations with OUC based on the November 25th proposal
- That the City Council diligently sends out an RFP within four weeks to test the market
- To accept the reduction in rates starting September 1, 2015
- That the Utilities Commission needs more information to make a final recommendation on the OUC contract, the additional items were preliminary recommendations to the City's Utility Counsel are as follows: 1) get more detailed information on the electric demand on how that might impact the 85 megawatt per hour take or pay level; 2) clarify Section 3.2 (b)(ii), the marginal cost via the example in the OUC contract; 3) recommend removing from the contract Section 12 option for Vero Beach Power Plant site; 4) get more detailed analysis from the City Utility Counsel and/or the City Manager of how potentially a pro rata allocation of stranded cost between Vero Beach and OUC would work (taking out the fifth recommendation to take the opportunity to review the FPL System Impact Study for the City of Vero Beach)
- That the City Council not vote on the OUC contract before the conditions of the Utilities Commission are fulfilled
- To approve the new amended PPA deal with OUC and suggest that the City Council move forward with the contract

SS/sp