

VERO BEACH UTILITIES COMMISSION MEETING
Tuesday, June 14, 2016 – 9:00 a.m.
City Hall, Council Chambers, Vero Beach, Florida

AGENDA

- 1. CALL TO ORDER**
- 2. PRELIMINARY MATTERS**
 - A) Approval of Minutes**
 - 1. May 10, 2016 – Regular Meeting**
 - 2. May 2, 2016 – Joint Utilities/Finance Commission Meeting**
 - B) Agenda Additions, Deletions, and Adoption**
- 3. PUBLIC COMMENT**
- 4. NEW BUSINESS**
 - A) Presentation by Dr. Edith Widder of the Ocean Research & Conservation Association (ORCA) regarding their Water-Monitoring Projects Employed in the Lagoon**
 - B) Discussion of Roberts Rules of Order – City Attorney**
 - C) 2016 Electric Reliability Performance Report First Quarter – Mr. Ted Fletcher**
 - D) Installation of STEP System (Canopied Streets) with regard to Sec. 71.14 Rights-of-Way required to be Improved – Mr. Rob Bolton**
 - E) Second Quarter Fiscal Year 15-16 Electric Utility Rate Sufficiency – Mr. James O’Connor**
 - F) Diesel Plant (Background and Update) – Mr. James O’Connor**
- 5. OLD BUSINESS**
- 6. CHAIRMAN’S MATTERS**
- 7. MEMBER’S MATTERS**
- 8. ADJOURNMENT**

This is a Public Meeting. Should any interested party seek to appeal any decision made by the Commission with respect to any matter considered at such meeting or hearing, he will need a record of the proceedings and that, for such purpose he may need to ensure that a record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. Anyone who needs a special accommodation for this meeting may contact the City’s Americans with Disabilities Act (ADA) Coordinator at 978-4920 at least 48 hours in advance of the meeting.

VERO BEACH UTILITIES COMMISSION MINUTES
Tuesday, May 10, 2016 – 9:00 a.m.
City Hall, Council Chambers, Vero Beach, Florida

PRESENT: Chairwoman, Laura Moss; Members: Chuck Mechling, Bill Teston, Judy Orcutt, Stephen Lapointe, J. Rock Tonkel and Alternate Member #1, George Baczynski
Also Present: City Manager, James O'Connor; Finance Director, Cindy Lawson; Transmission and Distribution Director, Ted Fletcher; Water and Sewer Director, Rob Bolton and Deputy City Clerk, Sherri Philo

Excused Absence: Robert Auwaerter

1. CALL TO ORDER

Today's meeting was called to order at 9:00 a.m.

2. APPROVAL OF MINUTES

A) April 12, 2016

Mrs. Moss referred to item 5-A) on today's agenda noting that "Power Services" gave the presentation not "Power Resources."

Mrs. Moss referred to the second to the last paragraph on page 9 of the April 12, 2016 Utilities Commission minutes. She said the closing sentence should state, "*We are getting out of the power generating business, but we are still in the power transmission and distribution business.*" She then referred to the last paragraph prior to item C) on page 11 stating that just after Mrs. Orcutt's last statement that the following should be added, "*Mrs. Moss then asked if any of the Commissioners did not support reliability. No one stated otherwise.*" She felt that was important to be added because the Commission members received a letter from Mr. and Mrs. Whittall expressing their concerns regarding reliability (letter dated May 9, 2016 and is on file in the City Clerk's office) and she felt they all were concerned with reliability. She then referred to the first sentence of page 13 stating that "*change*" should be "*chance.*"

Mr. Tonkel made a motion to approve the minutes of the April 12, 2016 Utilities Commission meeting as amended. Mr. Mechling seconded the motion and it passed unanimously.

3. PUBLIC COMMENT

Mrs. Moss said because there was no one wishing to speak under public comment that she would like to take this opportunity to apologize to the public that some of the backup information for item 5-A) on today's agenda was not available on the City's website. She explained that the Commission members did not receive the information until late yesterday. She said that she requested that they receive information on agenda items at the time the agenda is posted, which is one (1) week prior to the meeting. She said in this

case it was under Old Business and Mr. O'Connor and Mr. Fletcher felt confident in reviewing the numbers. She said that she checked the City's website this morning and the new information was there. She asked that staff put this information on the City's website.

Mr. Tonkel said in some cases it is difficult to generate the information as a result of the way it has been requested. He asked aren't they better served in the long run to give staff more time to produce the documents and then have it on the agenda for the next meeting.

Mrs. Moss agreed. She reported that she did ask Mr. O'Connor and Mr. Fletcher if they wanted more time. She said that she would also like the Commission members to have more time. She asked Mr. O'Connor if they were going to be asked to make a recommendation today.

Mr. Jim O'Connor, City Manager, answered no. He explained that what they are doing today is reviewing the information. He said there are two major components that allow them to accomplish the goals, which are; 1) having the human resources available in order to make it happen and 2) the financial resources available.

Mrs. Moss said before they get into the main portion of staff's presentation that she would like to answer what she thought Mr. Tonkel was addressing. She asked is staff looking for a recommendation from the Commission.

Mr. O'Connor answered no. He said these numbers have been given to Power Resources to be put into the Rate Study that they are working on. The Rate Study will be the official action that the City Council will be charged with. What staff is doing is trying to keep the Commission informed.

Mr. Tonkel asked Mrs. Moss are they going to have a presentation on the information they received.

Mrs. Moss answered yes.

Mr. Tonkel said that he was just trying to deal with the issues that surface from time to time. He said it would seem to him that there might be some things that could be held in the rear until their next meeting because they don't have time to inform the Commission members or the public. He felt this was something that could be worked out between the Chairwoman and City staff.

Mrs. Moss agreed that they need information in advance if they are going to be required to make a recommendation. She thought that she mentioned at their last regular Commission meeting that she wanted to have a joint meeting with the Finance Commission. She said the Finance Commission is going to have a separate meeting where Power Services will be giving them a presentation, which she felt was appropriate. She said if the Utilities Commission decides today that they want to meet on this again that maybe they could have a joint meeting with the Finance Commission sometime after they have had their presentation.

Mr. Lapointe questioned how much into the details of the operation of the City's business does the Commission need to get involved with. He asked are they a body that attempts to set goals, define missions, etc., or are they getting into the weeds and trying to do staff's job for them.

Mr. O'Connor said the key is that they are an Advisory Commission to the City Council. His obligation based on the charge of the City Council is to make the Commission part of the discussion of how staff comes up with the information they present to the City Council. That is what they are attempting to do today, which is to keep the Commission informed.

Mrs. Moss said the Utilities Commission is an Advisory Board. She said that Mr. Lapointe was not on the Commission last year during the time that they were dealing with the Orlando Utilities Commission (OUC) contract and at that time, and is continuing, there is an existing pattern of delayed delivery of critical information requested for informed decision making, which she felt Mr. Tonkel was referring to. She referred to a memorandum that she sent to all involved dated April 13, 2016 (on file in the City Clerk's office). She read, *"Going forward, all information related to an agenda item should be attached to the agenda distributed one week prior to the meeting; otherwise, the item will be removed from that agenda for consideration at a later date. The work performed by our commissions is crucial. The vote by the City Council on the OUC Contract at the Special Call Meeting of October 19, 2015 represents an example. I quote from page 8 of the minutes of said meeting, which read as follows: "Mr. Kramer made a motion to approve the Finance and Utilities Commission recommendations, including the changes that Mr. Wright brought up today." That motion passed 4-1. Members of the City Council voted on the recommendations of the Commissions. They did not vote on the contract itself. That single act testifies to the importance of any and all of our recommendations."* She said they do need to take this very seriously as their recommendations can provide the basis of a vote by the City Council, which they historically have.

4. NEW BUSINESS

None

5. OLD BUSINESS

A) Recommended Improvements and Cost Estimate by Step (for Vero Electric's Transmission and Distribution System) – (Previous presentation by Power Resources – April 12, 2016)

Mr. Ted Fletcher, Transmission and Distribution Director, briefly went over his memorandum regarding the 2016-2035 Long Range Planning – Revised Step 1 Recommendation with the Commission members. He said the spreadsheet attached to the memorandum shows some of the items that were pushed out to Step 2, which reflects the savings listed (attached to the original minutes).

Mr. Teston said essentially the numbers stayed the same; they were just deferred out further into the horizon.

Mr. Fletcher said that is correct.

Mr. Teston said it was his concern that they were pushing out maintenance. He asked does this expose the City to more outages.

Mr. Fletcher answered no.

Mr. Baczynski said generally when expenses are deferred out three years it is unusual that they would stay the same. Normally there is escalation of material costs, labor costs, etc.

Mr. Fletcher said it is possible that the numbers could go up, but that is the number that Power Services provided. He noted that in five years they will be looking at the following five years as to what needs to be done.

Mr. Tonkel said if the Commission is going to be asked to make a recommendation on this proposal, which he felt was a leap that either the Commission accepts the results of the study and the work done by management or they further question the specifics of maintenance that is planned. He said that his point is if their intent is to accept the study and management's revisions and give a recommendation to the City Council that he would like to make sure they are all prepared to do that in that they have enough and sufficient information. Essentially what they are saying is that the Commission agrees to find a way to finance \$10 million over the next several years. He was not opposed to this, but was posing the question as to if they have sufficient knowledge to make that recommendation at this stage.

Mrs. Moss said that she would be okay with deferring this matter to their next meeting.

Ms. Cindy Lawson, Finance Director, explained that the City adopts a five-year Capital Improvement Program (CIP) every year for the Electric Utility. So this is essentially not new, it is a modification to that plan. All the capital improvements in the Electric Utility are funded through rates so it is not really appropriate to make a recommendation on this plan as a standalone. This has to be considered in the context of its impact on rates and in the context of the adoption of the budget, which is part of the five-year CIP. This information is a revised five-year CIP that was provided to Public Resources Management Group who are folding it into the Five Year Rate Study that they will be bringing back as a presentation to the Utilities/Finance Commissions and it will also be the starting position for the budget workshops in July for adoption of a modified or a five-year CIP for the next five years. Therefore, other than the general conversation regarding the goals of reliability and/or their general recommendation about the accuracy of the Study, to make a recommendation about yes or no on these expenditures in the absence of a conversation about the impact on rates or the budget she did not feel was the right way to go about it. She noted that they would see this twice in the context of the

budget and in the context of the Rate Study, which has to support these improvements. They will be able to see what impact it may or may not have on rates going forward.

Mrs. Moss asked are they stating that the Commission would not be asked to make a recommendation today.

Mr. O'Connor said that is correct. He said they could make a recommendation if they choose to, but what staff is doing is making a presentation to them on how they are putting the budget together going forward.

Mr. Tonkel felt the Commission should move this forward and recommend that this be incorporated in to the CIP budgeting process and endorsing at least this conceptual approach of the upgrading of maintenance for the City Utilities.

Mr. O'Connor noted that reliability has become one of the City's top priorities with the priorities being safety, reliability, and pricing.

Mrs. Moss said at the last meeting when they discussed this Mr. O'Connor noted that there were political considerations as well. She said last week FMPA approached the County to meet regarding the sale of the entire electric system and the City Council voted unanimously to continue that discussion, which would have a huge impact on this. She said this would probably take a few years if there is a deal before it would be finalized and in the meantime they have to keep the lights on. But, on the other hand for this Commission to recommend a 20-year expenditure flies in the face of the will of the people who voted twice by referendum to sell the entire Vero Beach electric system.

Mr. O'Connor said that was one of the things they tried to carry on when they were trying to sell the system in that there was no reason to put money into it as FPL was going to standard the City's system with their system.

Mrs. Moss felt that the Commission understands that they have been caught in a political riptide as to the sale and no sale explaining that they got pulled way off shore, reliability is sinking, and now they have to swim parallel to shore before they can get back into safety. She said that is at no fault of Mr. Fletcher or Mr. O'Connor. She felt that they have been addressing it as best as they could.

Mr. Lapointe thanked Mr. O'Connor and Mr. Fletcher for this information. He said it seems to be within what they expect to happen. He did not think there was any more work to be done by the Commission at this point.

Mr. Tonkel asked Mr. O'Connor would an expenditure of this be partially funded from reserves or would the City incur new debt to finance the improvements.

Mr. O'Connor said it would depend on the size of the project. He noted that it would be individual projects, not the overall projects. He said they try to keep the reserves at 90 days and they currently are at 91 or 92 days. The history over the past few years was that if they have 96 days, for example, they would recommend a rate decrease at least for that

year. He said this same activity will occur over the next five years and every year staff will be looking at the revenues collected, the expenditures needed, and set the rates accordingly. He hoped that they would have something from PRMG in June that could adjust their rates. He noted that they don't have any major expenditures between now and then so PRMG would be looking at revenues already collected and what the expenditures over the next 12 months will be, set the rates for that, and then have projections for the upcoming years. But, it really is done on a year to year basis.

Mr. Tonkel said then at this point they don't envision a necessity for additional debt for this set of projects.

Ms. Lawson explained that when PRMG puts the five-year CIP plan into the Rate Study, one of the things they will do is make recommendations as to the things they think might be appropriate to be financed. She said it does depend on the useful life and the nature of the project. She noted that they have always had a five-year CIP and one of their goals has been to levelize the transfers from the operating side into capital. Rather than "spending reserves" to do projects, they target an unrestricted cash amount and adjust the rates accordingly. She said the City has not actually borrowed money for a project for the Electric Utility since 1989 or 1990.

Mr. Mark Mucher said Mr. O'Connor continues to say that they look at safety first and then reliability and cost. He reminded the Commission members that under previous leadership when they were setting their goals they were basically discussing rates and he suggested that they add reliability as a goal, which he felt they were heading in that direction. But there also seems to be a big emphasis on keeping rates low or even reducing them at the cost of deferring some of these projects. He said that Mr. Fletcher has assured him that the reliability will be under control and he trusts him. He said the proof will be in the pudding.

Mrs. Moss said the Commission's goals include both rates and reliability. She referred to their 2015 Annual Report (on file in the City Clerk's office) and read, "*To continue to facilitate the downward trend to obtain the lowest possible sustainable utility rates and the efficient operation of the utilities.*" She felt that efficient operation would also speak to reliability. She then read under the Electric – 2016 Objectives, "*Monitor the magnitude, frequency, and duration of power outages, as well as the causes.*" She said it is a balancing act between rates and reliability.

Mrs. Moss referred to a letter from Mr. and Mrs. Whittall dated May 9, 2016 (on file in the City Clerk's office). She read from within the letter, "*The water system is also in need of maintenance and replacements to keep from having broken water mains.*" She asked Mr. O'Connor if that was true.

Mr. O'Connor said they have very few breakages or outages of water. He said the water lines they put in have a 75-year life expectancy. They are doing major projects, such as expanding their capabilities at the Water Plant, they are condensing the number of wells they have, the Clean B System at the Wastewater Treatment Plant, etc. He said a lot of this work is cutting their cost, but at the same time doing some real investments to

upgrade the system. They have not experienced anything that would indicate they have a reliability issue. They do repair lines as they do have breakages at times.

Mr. Rob Bolton, Water and Sewer Director, said they do budget annually for line renewal and replacement.

Mrs. Moss thanked Mr. Fletcher for attending today's meeting. She said that she would be in close contact with Mr. O'Connor to see when it would be appropriate to place this item back on a future agenda.

Mr. O'Connor reported that the Rate Study would probably be coming before the Commission in June.

Mr. Fletcher said it took eight years to get where they are and they know what has to be done. They are in the catch-up phase and are on the right track.

Mrs. Moss said that she has been asked by individuals in the community about individual outages. She said that she has a question regarding an outage on Indian River Boulevard and the traffic light by the 17th Street Bridge. She did not have the date so she would get back with Mr. Fletcher.

Mr. Fletcher asked if it was last week.

Mrs. Moss thought it was.

Mr. Fletcher said that outage was caused by a car accident.

Mrs. Moss said that people come to her with individual issues, which she welcomes because she felt it was a good thing if they can engage the community. She said they have a responsibility to get back with them on it. She then gave her email address, laura@mossim.com, for anyone in the community who has a question.

Mr. Teston referred to the comment that they are in the catch-up phase. He would assume that the recommendation of deferring some of the maintenance that it would not create a situation of safety or service for those components of the system.

Mr. Fletcher said that is correct. It does not pose any reliability exposure risk or any safety issues.

B) Motion on Stormwater Utility Study to be Reviewed with Regard to Parliamentary Procedure – (See page 14 of the February 22, 2016 Joint Utilities Commission / Finance Commission minutes)

Mrs. Moss asked how long before the Commission sees the Stormwater Utility Study again.

Mr. O'Connor said it would probably be a few months.

Mrs. Moss said a motion was made at the February 22, 2016 Utilities Commission meeting to recommend to the City Council that they go forward with the second half of the Stormwater Utility Study. She said at the time she intended to amend that motion to include the recommendation that it be decided by public referendum. She said that this is not meant as criticism to anyone as in this case it was herself that was not familiar with Parliamentary Procedures. But, if the Commission members are not familiar with Parliamentary Procedures then they cannot conduct business in the most effective manner. She said that she could have made a motion for an amendment at that time. She thanked Mr. Lapointe as she felt he was the source of them receiving additional information from the City Attorney (referring to the memorandum from Mr. Wayne Coment dated May 4, 2016 regarding the rules and procedure for meetings on file in the City Clerk's office). She read from the memorandum in part, *"to help manage and provide parliamentary procedures for large meetings such as conventions."* She said it is not her opinion; it is a matter of fact that is a misperception. She then read into the record, *"Henry Robert was a West Point educated United States Army Officer. He became interested in parliamentary law when he was asked to preside at a meeting and didn't know how. After the meeting he vowed to learn something about parliamentary law. He soon found that little information about this subject was applicable to small voluntary organizations. So while he was stationed as an Army Officer in different parts of the Country he attended meetings and noticed that each organization was conducting meetings by its own set of rules. There were no universally accepted rules in existence. He saw that organizations would be better able to function and carry out their purposes if they had a universally recognized and accepted set of parliamentary rules."* She said the important point to keep in mind is that Mr. Henry Robert developed this to be applicable to small voluntary organizations. She would appreciate any assistance if she is remiss in calling for discussion, etc., that they point it out to her. She said that she is going to try to play by the rules.

Mr. Lapointe said that he did not request anything from the City Attorney.

C) City of Vero Beach Representation on the FMPA Board

Mrs. Moss read into the record information from the Florida Municipal Power Agency Operational Audit, *"The Florida Municipal Power Agency (FMPA) is a Joint Use Action Agency (JAA) created in 1978 pursuant to a series of Interlocal agreements with Florida municipalities under the authority of Sections 163.01 (Florida Interlocal Cooperation Act of 1969) and 361.10 (Joint Power Act), Florida Statutes. The FMPA finances, acquires, contracts, manages, and operates its own electric power projects or jointly accomplishes the same purposes with other public or private utilities."* She referred to Table 6, Gain/(loss) from Fuel Hedging Activity, which showed a total of \$247,631,584. She said the gist of the Executive Summary is that these practices were not consistent with industry practices, but utilized by other organizations of that kind. She then referred to a letter that was written last year by Mr. Herbert Whittall, past Utilities Commission Chairman, who suggested that the City Council send the information to all participants of the FMPA (attached to the original minutes). She read, *"We hope all of your City Council has read and understands the gravity of the findings of the Florida Government Audit of FMPA. It shows that FMPA management has not been doing what FMPA was*

set up to do. Namely, to deliver Natural Gas and Electricity to its members at the lowest possible price, lower than any one of us could obtain for ourselves. As elected officials we are responsible for FMPA's actions. We request that you appoint one of your fellow council members to be the voting member on FMPA's board. We need to rein in FMPA's \$2 Billion debt and wasteful ways." She then read from comments made by Mr. McDermott in response to what Mr. Whittall wrote, *"Fellow Commissioners, I applaud Chairman Whittall's cause to action, however, I do not believe it is anywhere near strong enough action. Having read the recently submitted audit of FMPA, I find myself appalled by the lack of general business management practices by the Auditor General, David Martin, such as ..."* She said that at this point Mr. McDermott's comments went on to list quite a few of them. She then read, *"I know you have all read the Audit, but I would be remiss if I didn't underscore the bad judgment and outrageous costly decisions FMPA management has made in other unacceptable financial decisions."* She said in closing, Mr. McDermott stated, *"They are an organization that has run amuck by contracting its members to obligations never bought into or envisioned, and has not fulfilled its mission of supplying our communities with reasonable rates."* She said this is the context, which discussion should take place. She felt this was something that the Commission should recommend to the City Council. She felt that Mr. O'Connor had vast technical knowledge, but it was obvious that these huge losses occurred while the representatives on the FMPA Board were not Elected Officials. She said they have already seen the outcome and the staggering losses by not having Elected Officials on the Board, who are accountable to the voters. She said that State Representative Debbie Mayfield pointed out at their last meeting that an argument is raised that an Elected Official won't have the technical expertise. She said that is true, but Representative Mayfield also stated that there is nothing stopping an Elected Official from bringing the City Manager or Utilities Director to advise them. She said the big issue is accountability. She said the City Manager answers to the City Council, but not to the voters. She felt that they have to have direct accountability to the people.

Mr. Teston referred to a memorandum from the Vice Chairman, Mr. Auwaerter dated May 9, 2016 (attached to the original minutes). He said that he agrees with Mr. Auwaerter in that Elected Officials come and go. Mr. Teston said that he did not know of any Elected Official who was elected because of their knowledge of the electrical utility systems. He felt that if they are going to have continuity and a sense of accountability and attempt to manage the organization, it would have to be the City Manager or Utilities Director, just as Mr. Auwaerter stated. Mr. Teston said the City Council will have to vote on anything that they would recommend anyway. He did not see where having a Councilmember sitting on the FMPA Board was to any advantage of this City or any other city. He felt the Commission needed to consider the memorandum from Mr. Auwaerter and leave it to the City Council to resolve it.

Mrs. Moss said that she attended the City Council meeting when she thought Councilmember Randy Old was asked to be removed from this position and Councilmember Pilar Turner volunteered. She said that Mrs. Turner does have background as an Engineer. Therefore, they do have qualified people on the City Council.

Mr. Lapointe suggested that they take advantage of their new found Roberts Rules of Order because they are having a discussion about a possible action without a motion on floor.

Mr. Lapointe made a motion that the Commission recommends to the City Council that the representative to the FMPA Board be the City Manager or his representative. Mrs. Orcutt seconded the motion.

Mr. Lapointe said this would allow the City Manager to be the representative or he could appoint for a particular meeting the person he feels would be the most appropriate for the subject under discussion at that meeting.

Mr. Tonkel felt they should be very clear about what Mr. Auwaerter is recommending, which is that the representative should be the City Manager or Utilities Director. He is obviously saying to the Commission members that even though there might be value in having an Elected Official, in terms of accountability it doesn't bring the level of expertise. Mr. Tonkel felt that Mr. Auwaerter made a very rational case to do what they have been doing and what the City Council has elected to do. He said that he did not know if this was the Utility Commission's business. He felt this was outside the boundaries of the Utilities Commission. He felt that Mr. O'Connor has been doing a commendable job in representing the City's interest.

Mrs. Orcutt said that she has served on a lot of boards where elected officials served and it is hard to have consistency. She agreed with Mr. Tonkel in that she was not sure this was in the Commissions purview. She said that she appreciates the work that Mr. O'Connor has done.

Mr. Randy Old, Vice Mayor, said that he served on the FMPA Board for 12 or 13 months. He said that he didn't understand FMPA and asked to be on the Board so that he could understand. He said that his background is finance and he didn't understand the audit. He said that he spent a lot of time with the City's Finance Department in trying to understand it and it is still very complicated. He said that during the FMPA Board meetings they do vote. He said that he stepped down from serving as the City's representative because he felt having someone who was going to stay on the Board year after year was a better choice. He noted that each municipality does it differently, but most of them have the Utilities Director as their representative.

Mrs. Moss asked what is the history of Vero Beach's representatives. She said that she knew Mrs. Turner served as the City's representative prior to Mr. Old.

Mr. O'Connor said it was the City Manager from the beginning up until recent times.

Mrs. Moss asked was Mrs. Turner the first Elected Official to serve as the City's representative.

Mr. O'Connor said as far as he knows she was the first Elected Official to serve on the Board representing the City of Vero Beach.

Mr. Tonkel asked what was the original motion.

Mr. Lapointe repeated his motion.

Mr. Tonkel made a motion to amend the motion that the determination of the representative to FMPA be left solely to the discretion to the City Council who in his opinion are in a position to place the person they feel is most qualified either a Councilmember and/or City Manager. He said to prescribe basically that it be the City Manager at this point detracts the ability of the City Council to make the determination. He said hopefully the amendment would prevail and the initial motion would be in effect defeated.

Mr. Lapointe called for a Point of Order. He said the motion is not an amendment. If Mr. Tonkel wants to proceed they could call the vote on the original motion.

Mrs. Moss said they would first vote on the amended motion.

Mr. Mechling seconded the motion for discussion.

Mrs. Moss felt it was good that they remind themselves that they are an Advisory Board and are not dictating terms at any time to anyone. But, with that being said her position is that she would hope an Elected Official would represent the City because they have seen the results when it is not an Elected Official, which resulted in disastrous financial losses. She would hope it would be an Elected Official, who would be directly responsible to the people and could certainly count upon the advice of a financial and technical expert who is within the City.

Mr. Mechling felt it should be left to the City Council. He felt that the best person might not be someone who is elected because of the complexity of the financial and technical side. He felt it would be hard to find the person with that knowledge and experience. He felt the person who would be best served would be by appointment of the City Council, who are the ones who are elected. He would support the concept of Mr. Tonkel.

Mr. Teston read into the record the second paragraph of Mr. Auwaerter's memorandum, *"I think that this approach breaks down in practice. I have listened into FMPA's meetings by telephone and also attended the last Board meeting in Orlando. The issues are quite complex and in order to make informed decisions require an individual to have a background in both utility operational and financial analysis. It is highly unlikely that we will have a Councilperson with both that background and also willing to spend the time to research and analyze the issues."* Mr. Teston felt that Mr. Auwaerter's point should be well taken by this Commission. He said it was reinforced again today that the even if a Councilmember has the qualifications regarding the financial and technical issues, that Councilmember may or may not be reelected and if not, then the new Councilmember would have to get up to speed. He said they need continuity and someone with as much knowledge as the City can bring forward to represent the City and make viable recommendations to the City Manager and/or the City Council. He said they would be just as accountable as a Councilmember.

Mr. Baczynski felt the point about the changeover of Councilmembers was only valid up to a point. He thought that in the 10 years that he has been in the City of Vero Beach there have been three (3) City Managers and three (3) Utility Directors so they also have turnover. Therefore, they too have a learning curve. He said they were not really improving the situation for the City when these turnovers happen. He said employees retire, take new positions, move, etc. He felt if they want to make decisions on the most logical basis, they should look at what it is that FMPA has done that has caused the most problems (technical or financial).

Mrs. Moss said that is a valid point that they could have the same kind of change with personnel as they do with City Council.

Mr. Mark Mucher said the City Council is going to determine the representative no matter what the Commission recommends. He felt this was a mute point. He said when Mr. Old resigned from the position he wanted to appoint Mr. Howle, who had no experience. Mr. Howle declined the position and then the City Manager was appointed.

Mr. Tonkel wanted to make it clear that his motion was that the representative could be either/or and is clearly the determination of the City Council. He felt that Mr. O'Connor has represented the City wonderfully and is not the issue here. He felt the issue was that the authority is left up to the City Council and the Commission should not even be making a recommendation.

The Deputy City Clerk called the roll on the motion to amend the motion that the determination of the representative to FMPA be left solely to the discretion to the City Council who in his opinion are in a position to place the person they feel is most qualified either a Councilmember and/or City Manager and it passed 5-2 with Mr. Baczynski voting yes, Mr. Teston no, Mr. Mechling yes, Mrs. Orcutt yes, Mr. Lapointe no, Mr. Tonkel yes and Mrs. Moss yes.

Mrs. Moss said they now need to vote on the main motion.

Mr. Lapointe explained the main motion was mute and the amendment to the motion that they just voted on became the main motion.

6. CHAIRMAN'S MATTERS

Mrs. Moss asked the Commission members if they had any items they would like on the June Utilities Commission agenda. She suggested that they discuss how they want staff to prepare the outage reports.

Mr. Teston thought they suggested having a value over time so they would be able to see how the outages are being handled.

Mr. O'Connor suggested that Mrs. Moss speak with Mr. Fletcher on how they want their report on outages.

Mrs. Moss said that she would go back and look at minutes when this was discussed and speak with Mr. Fletcher prior to their June meeting.

Mr. Teston thought the Commission also discussed what type of matrix they would like on the operation of the Electric Utility.

Mr. Baczynski suggested that the Utilities Department publish a report as an example of what they can do at this point. Then the Commission members can look at it and see if they are covering things the Commission members feel are important or if there are things the Commission members think should be added. He said they have received generalized information, but if they received a sample report on what they could do every quarter the Commission members would be in a position to decide how well it meets their needs.

Mr. Teston noted that they need to be careful because they could be drowned with numbers. If they don't ask for specific information it could be so overpowering that they would not be able to function.

Mr. Lapointe said that he discussed the STEP program with Mr. Bolton who has a concern with five (5) canopy streets located on the beach in that he is bound by Ordinance not to install sewers in those rights-of-way. He said that Mr. Bolton suggested that the Commission discuss this at an upcoming meeting.

Mrs. Moss said they would plan to discuss it and that she would speak with Mr. Bolton in the meantime.

Mrs. Orcutt suggested that at the beginning of their agendas that they add the item; agenda additions, deletions, and adoption of the agenda.

7. MEMBER'S MATTERS

A) Parliamentary Procedure – Stephen Lapointe

Mr. Lapointe said the comments from the City Attorney were coincidental to his placing this item on today's agenda. He felt it was incumbent on them to adhere to Robert's Rules of Order. He said contrary to the statement by Mr. Coment, Robert's Rules of Order is for organizations of any size, not just for large organizations. He said there are some variances in the instructions given by Mr. Coment. For example, contrary to Robert's Rules of Order, the presiding officer (Chair) may make a motion. Mr. Lapointe said normally that is not done. He explained that normally if the Chair feels that they need to make a motion, the gavel is handed to the Vice Chair and the Vice Chair facilitates the discussion and the Chair can resume their position after that item is complete.

Mr. Mechling said that he needed some clarification. He asked with the motion today, wouldn't it have been appropriate that the maker of the original motion had to accept the amendment because of the intent to dramatically change it. If the maker of the motion

would not have accepted it then they would have had to vote on the original motion and then move forward with subsequent motions. He asked is that correct.

Mrs. Moss explained that what she read was that once a motion is made; the maker of the motion no longer owns the motion; that once a motion has been made any other member can make changes.

Mr. Lapointe said also in the instructions from the City Attorney, it states, "*members of the public shall limit their address to three (3) minutes during the public comment section of the meeting.*" Mr. Lapointe felt it was nice that they often allow public comments during discussions, but according to the instructions given to them, that is not a proper procedure. He then read from Section 2.56, "*The Council shall be adjourned sine die no later than 11:00 p.m. unless the meeting is extended or continued to a time certain by a vote of the City Council.*" He said that he loved the idea of having an adjournment time.

Mrs. Moss said that she would like that too, but when they were working on the OUC contracts it was not practical. She then referred to the public comment issue. She said that she is a very strong believer in listening to the public. It is her understanding that if the person presiding over the meeting allows it to go beyond the three (3) minutes there is no problem. She said that she would check on this.

B) Procedure for Presentations – Stephen Lapointe

Mr. Lapointe said often times when presentations are given the Commission members tend to interrupt with questions before the presenter has the opportunity to give their presentation. He felt that in the interest of efficiency and time it would be better to allow the presenter to make their presentation and then ask questions. He felt that what was happening was that the members interrupt the presenters with questions, which gets them diverted into tangential conversation that detracts from the force of the presentation and takes up unnecessary time.

Mrs. Moss said that she would agree with him if it is a short presentation. But, some of the presentations can be quite lengthy and she did not know if anyone could remember their questions.

Mr. Lapointe said they could take notes during the presentation.

Mrs. Moss felt that certain things come out of spontaneous discussions.

Mr. Mark Mucher said they have had a lot of discussions during today's meeting that became mute. He felt that the business regarding Robert's Rules of Order was one of them. He said for the 30 years that he has been involved with the City it has always been his understanding that the City does not abide by Robert's Rules of Order, that they have their own rules. He felt that since the Utilities Commission was a subcommittee of City Government, any discussion of Robert's Rules of Order was probably mute.

Mrs. Moss said if that is the common perception that is very bad because Mr. Lapointe is correct and the City Council should be abiding by Robert's Rules of Order and if people think they are not that is very unfortunate. She said that is also part of the City's Code, which states how they are to conduct themselves. She explained that whatever is not stated in the City's Code, they are to follow Robert's Rules of Order. If they are not following Robert's Rules of Order then that should be corrected.

Mr. Tonkel said that he was not going to change his behavior. He said that he gains a lot by the questions that he asks and he felt it has been helpful not only to him but to the other Commission members (referring to the presentation issue). He said if they want to call him out of order to feel free.

8. ADJOURNMENT

Mr. Mechling made a motion to adjourn today's meeting at 11:07 a.m. Mr. Teston seconded the motion and it passed unanimously.

/sp

SPECIAL CALL JOINT UTILITIES / FINANCE COMMISSION MINUTES

Monday, May 2, 2016 – 9:00 A.M.

City Hall, Council Chambers, Vero Beach, Florida

PRESENT: Finance Commission: Chairman, Peter Gorry; Vice Chairman, Glen Brovont; Members: Kathryn Barton, Nathan Polackwich, John Smith, Alternate Member #1, Daniel Stump and Alternate Member #2, Victor DeMattia **Utilities Commission:** Chairwoman, Laura Moss; Vice Chairman, Indian River Shores' Representative, Robert Auwaerter; Members: Chuck Mechling, Judy Orcutt, Stephen Lapointe, Bill Teston, J. Rock Tonkel and Alternate Member #1, George Baczynski **Also Present:** City Manager, James O'Connor and Deputy City Clerk, Sherri Philo

1. CALL TO ORDER

Today's meeting was called to order at 9:00 a.m.

Mrs. Moss read into the record the purpose of the Utilities Commission listed in the City's Code, *"The Utilities Commission is expressly charged with representing and considering all utility customers of the City in its activities, including City resident and non-resident customers alike."* She reported that tomorrow, immediately following Mr. Schef Wright's presentation to the City Council, Mr. Dylan Reingold, County Attorney, will be discussing the Florida Power & Light (FPL) electric utility sale. She read into the record Mr. Reingold's memorandum to the Board of County Commissioners dated April 5, 2016, *"The City of Vero Beach and FPL have entered into an agreement for the City to sell the City's electric utility to FPL. On two occasions, the voters of the City approved referenda supporting the sale of the City's electric utility to FPL. Since that time the negotiations between the Florida Municipal Power Agency (FMPA), Orlando utilities Commission (OUC), the City and FPL have stalled"* (memo attached to the original minutes). She said the purpose of Mr. Reingold coming before the City Council is to request that the City Council authorize the City's outside Counsel to join in discussions with FMPA, OUC, FPL, Indian River County, and the Town of Indian River Shores (IRS) to complete the sale.

Mr. Gorry said the Finance Commission is charged with the health and vitality in overseeing all finances of the City, which includes all customers, as well as City employees. He asked what is the expected outcome from each Commission as a result of today's presentation.

Mr. Jim O'Connor, City Manager, explained that staff is not requesting a recommendation. Today's meeting is for the Utilities/Finance Commissions to be briefed on what will be presented to the City Council pertaining to a partial sale of the utility.

2. PUBLIC COMMENT

None

3. PRESENTATION BY MR. SCHEF WRIGHT ON THE COST AND EXPOSURE FOR PARTIAL SALE OF THE ELECTRIC SYSTEM TO INDIAN RIVER SHORES

*Please note that questions and answers took place throughout the presentation (backup information on today's presentation attached to the original minutes).

Mrs. Moss asked Mr. Wright to introduce members of the audience who were with him today and to state their expertise so the Commission members can direct their questions to the appropriate person.

Mr. Schef Wright, Attorney, introduced Mr. Bill Herrington, stating that he has 40-years in the power industry almost all municipally related; Mr. Jerry Warren, stating that he also has about 40-years in utilities and is the past Utilities Director of Gainesville and the City of Winter Park; Mr. Henry Thomas, of Public Resources Management Group (PRMG), stating that he is the City's Rate Consultant. Not present today is Mr. Murry Hamilton, of PRMG, who is a key member of the Rate Study team for the City and a key member of the group who prepared the estimates that is included in their backup information.

Mr. Wright reported that in June, 2014, OUC and FMPA hit an impasse regarding OUC's ability to take assignment of the City's FMPA Power Purchase Agreements (PPA) and Project Support Contracts relative to bond covenants, which created the failure of a necessary condition for a total sale. When that happened IRS became very interested in a partial sale through various mitigation measures. In August, 2015, FPL made a formal offer in writing to purchase the IRS system for \$13 million dollars and the City's team was asked to give an estimate of what a reasonable payment and transaction structure would be to keep the City and all electric customers, other than IRS, whole in the event of a partial sale to FPL. The team did a preliminary analysis last summer and the number in that analysis was \$64.4 million. They then met with FPL in early September 2015, which did not go very far because FPL could not justify anything more than \$13 million.

Mrs. Moss said that she has a question regarding IRS Resolution #414 (on file in the City Clerk's office) before they get into the numbers. She said IRS originally contracted with the City for 25 years in 1968. But, in 1986 the IRS Town Council passed Resolution #414. She read into the record the title of the Resolution, "*A Resolution granting to the City of Vero Beach, Florida, its successors and assigns, an electric franchise in the incorporated areas of the Town of Indian River Shores, Florida; imposing provisions and conditions relating thereto; and providing an effective date.*" She then read into the record, in part, Section 14 of the Resolution, "*This*

franchise is subject to renewal upon the agreement of both parties. In the event the Grantee desires to renew this franchise, then a five year notice of that intention to the Grantor shall be required. Should the Grantor wish to renew this franchise, the same five year notice to the Grantee from the Grantor shall be required and in no event will the franchise be terminated prior to the initial thirty (30) year ...” She said this means that either party, the City of Vero Beach or IRS, needed to state five (5) years ago that they wished to continue this arrangement. She asked Mr. Wright was any notice furnished by either party.

Mr. Wright said that he did not agree with Mrs. Moss regarding notice being given, as a matter of law. He said somewhere close to February, 2014, IRS did give written notice to the City that they did not intend to renew the contract. He did not think notice was given five (5) years ago.

Mrs. Moss asked did the City give notice of their desire to renew five (5) years ago as required by this contract.

Mr. Wright said that he was not aware of any such notice having been given from either side in the five (5) year period contemplated by the franchise agreement. The only notice that he was aware of was the one that was given a few years ago from IRS to the City stating that they would not renew the franchise.

Mrs. Moss said then there is no argument that this expires.

Mr. Wright said that is correct. There is no argument that the franchise agreement is going to expire on November 6, 2016.

Mrs. Moss did not see where in this 30-year agreement that it extends beyond 30 years.

Mr. Wright said the franchise agreement is an agreement between the City and IRS as to the matters covered by the franchise agreement only. All that happens when the franchise agreement expires is that both sides are relieved of their obligations to each other as to the specific obligations under that agreement. There is no option to buy, no requirement that the City has to vacate, and there is nothing that states the City does not get to serve anymore. It simply states that the City doesn't collect the franchise agreement anymore and IRS doesn't have to maintain their rights-of-way for the City anymore.

At this time, Mr. Wright continued with his presentation. He said they met with representatives of IRS on January 27, 2016, and in the course of their conversation he was asked that they look at this from a revenue requirement perspective. At that time, the City's team embarked on a process that led to the preparation of the spreadsheets in front of the Commission today. He said the reason it took until the middle of April was because they knew new information would be

available from the FMPA regarding long term power cost projections from the three projects that the City participates in and they felt it would be best to wait until they had that information. He said they looked at all the components of the revenue requirements of the City and they broke them down into five (5) major components, which were: 1) General Fund transfer debt, 2) City electric costs, 3) non-departmental costs, 4) non-departmental costs paid by the electric system, and 5) bulk power supply costs. He said they also updated the natural gas price forecast and the latest bulk power supply costs. In front of the Commission is documentation of the revenue requirements, year by year, component by component analysis and the rate impacts of each.

Mrs. Moss asked Mr. Wright to go over the highlights of the difference between the \$64 million number and the \$42 million number.

Mr. Wright said they would cover that in their discussion. He said they were asked by the City to come up with the best estimate that they could come up with. They used the best information available, which produced the information presented today. In highlight, the principle that the City articulated all along is that they would consider selling IRS book of business to FPL or to IRS at a price and in a transaction structured so as to keep the City, their citizens, and all their customers whole in the event such a transaction were to occur. There are two components to that, which are: 1) a dollar amount sufficient to cover the fixed costs that would otherwise be shared by IRS over a period of time and 2) to address the City's contingent liabilities under the power supply contracts and project support contracts of the three (3) power supply contracts (Stanton I, Stanton II, and St. Lucie) in which the City participates.

Mrs. Moss said that she looked up the definition of "contingent liabilities" and what she found was the following, "*a contingent liability is recorded in the books of accounts only if the contingency is probable and the amount of the liability can be estimated.*" She asked Mr. Wright if he felt this was a fair definition.

Mr. Wright said in the disclosure requirements of the Financial Accounting Standards Board and the Government Accounting Standards Board, yes. In the practical reality of what the City of Vero Beach's liability would be if some unexpected significant cost arises with respect to one of the power supply contracts, the real impact could be different than that.

Mr. Auwaerter said that is where he is seeing inconsistency in a lot of the arguments that the City is making. He said a contingent liability is borne by the owner, not by the customers. He explained that if he was to do business with a company that he would not be responsible for the contingent liability. It would be the stockholders who bear that responsibility. On one hand the City argues that they are the sole equity owner of the utility in spite of the capital contributed by the utility by all the customers, with the majority living outside the City's incorporated limit and then it is argued that due to its ownership that they are entitled to a proper transfer of 6% of

revenues to subsidize its General Fund and lower property taxes for its residents. He said if they are going to make the argument that the City solely owns the utility then the City is responsible for all the potential contingent liabilities. He said they can't have it both ways. They can't say the City gets to keep the good profits and any potentially bad contingent liabilities are the responsibility of its customers.

Mr. Wright said that he understood where Mr. Auwaerter was coming from. But, in this context if there is an event that results in unexpected costs, those costs have to be paid. The City is contractually on the hook to pay them.

Mrs. Moss asked is Stanton II considered one of the three (3) projects.

Mr. Wright answered yes. He said FMPA actually has five (5) power supply projects, which are: 1) Stanton I, 2) Stanton II, 3) St. Lucie, 4) the Tri-City Project, and 5) the All Requirements Project.

Mrs. Moss said that she was on FMPA's website and they show that Stanton II was formed in 1990, which is four (4) years after Resolution #414. She then read into the record some of the information that she pulled from the site, *"Thirty (30) years (1978) ago FMPA was formed with no staff, no office, no power generation projects, no revenues, and no assets. There was only the idea that FMPA could coordinate the wholesale power needs of its members in order to create economies of scale and power generation and related services. Three (3) decades later (referring to 2008) FMPA has grown to supply nearly 50% of its members total power needs. In 2008 FMPA had 30 members, a fulltime staff of nearly 70, a 25,000 square foot headquarters in Orlando, five (5) power generation projects, a pooled financing fund, approximately two (2) dozen member service initiatives, annual revenues of \$707 million and total assets of \$1.6 billion."* She said it is a little hard to say that any of this could have been anticipated in any way, which is one of the reasons why Vero Beach has a problem with it.

Mr. Tonkel asked what is the major factors between the preliminary evaluation that was done and the current evaluation of \$42.4 million. He asked what were the major factors that contributed to the difference.

Mr. Wright said that he has not analyzed them item by item, but there is an updated Bulk Power Supply Cost forecast that was estimated last summer based on a current cost per MWH number that was escalated forward. After receiving the information from FMPA in April it was actually done on a project by project basis for 20 years. He said the numbers shown today are the sums. Stanton I and Stanton II roll off in 2035 in the new analysis and St. Lucie II continues through 2046. That is a significant difference. There was a difference in the way the non-departmental costs were calculated that double counted against IRS, which they fixed. They also looked at

every cost item on a component by component basis, year by year and projected those out. The General Fund transfer in the earlier analysis started at a value of \$5.44 million and escalated out at 2 or 2 1/2 percent a year. When the calculations were done, they actually projected the four (4) other cost components year by year. He briefly explained how the formula worked to arrive at the numbers shown in their analysis.

Mr. Auwaerter said in looking at the spreadsheet with and without IRS every year the differential between the time with IRS and without IRS it is a standard haircut going way into the future of 7.1%. So, that is saying they are not right sizing their expenses and the same with the electric fund expenses. They decline by a set ratio of 3.8%. He asked if they know IRS is going away, why aren't they right sizing their expenses over time. He was lost in this analysis in that it is a straight line and does not reflect that they would be losing 3.8% of their customers.

Mr. Wright said they specifically asked the Finance Director and the Utilities Director what the cost difference would be with and without IRS. He asked Mr. Ted Fletcher if they really are not going to be able to shed a Lineman, for example. Mr. Fletcher said that he would not be able to maintain service with fewer linemen. Mr. Wright explained to Mr. Auwaerter that the best information they had was the information they received from City staff and that is the numbers that are reflected in the analysis. He said Mr. Auwaerter's position is plausible, but so is the City's position. He said these costs are going to decline, but beyond that the bulk of the costs or fixed costs aren't going to change and the cost components are going to stay the same and they escalated those at the rate that they agreed on in conference with PRMG representatives. He said essentially it is slightly less than the escalation rate they are using in the Rate Study.

Mr. Auwaerter said in looking at the numbers in the bulk power with and without IRS the numbers should be exactly the same because that is the base that they were billing from. Then down the line they would be shedding the OUC contract. In terms of the bulk power numbers for power the City is going to have to purchase upon the expiration of the OUC contract, the analysis still states there was an impact on the customers for that new supplier for a period of time if the IRS customers were shed. He asked if they know far in advance that they were going to shed those customers, why wouldn't they right size the power contract with the new bulk power. He said at that point they would know exactly what they were looking at in that they would have a utility system that is roughly 8% smaller. He asked why that should have any impact at all.

Mr. Wright thought the reason there is a continuing impact is because after the OUC contract rolls off, the City is still purchasing power from Stanton I, Stanton II, and St. Lucie. That power costs more than the market power supply costs for part of that time period. That is what causes the impact of losing IRS in the earlier years to be greater. If they look at years 2036 to 2046 they will see there is actually a benefit of not having IRS because St. Lucie II purchases represent a

higher percentage of the City's bulk power supply purchases, which brings the average cost down.

Mr. Auwaerter said the FMPA numbers are exactly the same. He said when they no longer have OUC they are going to have to go out and purchase power and they can scale it precisely because they know what their power requirements are going to be if they didn't have IRS. These spreadsheets still show there is a detriment to the remaining customers with IRS leaving past 2024.

Mr. Herrington said that is correct. He said if they look at the market to purchase power they would see the amount they purchase does decline by the amount that IRS customers use so they have recognized that the load is smaller. He said the percentage of the City's take from two (2) different cost sources changes and when the percentage changes the City's net costs changes, which works against the IRS analysis for a certain number of years.

Mr. Auwaerter said that he went to an FMPA meeting last week and the CFO stated that FMPA costs were going to go down substantially because there will no longer be an entrance component and amortization of principle because St. Lucie, Stanton I, and Stanton II debts were coming off. Therefore, FMPA power costs are going down.

Mr. Herrington said their analysis shows FMPA costs going down, but not until the mid 2020's.

Mr. Auwaerter said that he was having trouble understanding what that has to do with the charge for a new power supply. To him, they are two (2) separate things and yet the analysis states somehow they can't figure out (x) number of years down the line.

Mr. Herrington said the analysis does not show that.

Mr. Gorry said when trying to project all of this multi-variable analysis over the years it becomes based on a series of variables that one has to begin to quantify. He said they could debate all the variables, but it is difficult when one is trying to project data over this time period.

Mr. Tonkel said another big variable is the debt retirement, which is built in to the financial exhibit. He asked have they seen a debt retirement schedule from FMPA. He said as he looked at the history of the accumulation of debt, it has been pretty consistently stable throughout the past 10 or 15 years. He asked Mr. Wright how realistic did he think FMPA's ability was to retire the debt according to their schedule.

Mr. Wright asked Mr. Tonkel if he was referring to the FMPA debt service component of the power supply costs for the three projects (Stanton I, Stanton II, and St. Lucie).

Mr. Tonkel said that is correct.

Mr. Wright said all cost projects they received from FMPA are rolled into their analysis, which includes FMPA's current projections of their debt retirement. He did think it was realistic to expect FMPA to retire the debt on the schedules they set. But, something could happen, for example there could be an event that causes a significant capital expenditure that is presently unforeseen. If something breaks FMPA is on the hook for their share of that expenditure and the City is on the hook for their share of that expenditure. If there is an environmentally regulatory mandated upgrade to a Plant, FMPA and the City have no choice but to pay for it. If FMPA, in their discretion, were to make an environmental upgrade the participating cities would have the option not to participate.

Mr. Wright reported that included in their backup material are spread sheets that shows the rate impact. If they look at it on a 30-year basis, the new number is \$42.4 million and if they look at it on a 50-year basis the number is \$59.6 million.

Mr. Auwaerter said if he remembers it correctly, the profit transfer has an escalator of two and one-half percent per year.

Mr. Wright said it is not a flat two and one-half percent per year. He explained that the transfer is a calculated number based on some of the other four (4) revenue requirement components. He briefly explained that the analysis takes the four (4) components, projects them out, adds them out year by year, and grosses them up so that the sum will yield a 6% return at the bottom line.

Mr. Auwaerter said that he is having a problem with this because in his background in utility analysis when an investor owned utility goes in front of the PSC, the PSC gives them a rate of return on equity. In those situations the PSC does not look forward over the years and state they are entitled to an escalator. He said that he conceptually has a problem with the idea that not only is the City entitled to this profit stream that the IRS customers would have to compensate for, but also that it increases over time. He also had an issue with going out as many years as they did. He referred to the arbitration between the City of Winter Park and Florida Power Corporation. He said there was a big discussion as to how stranded costs were going to be calculated, which referred back to FERC Order #888, which he read, "*FERC defined a period of time that a utility could reasonably expect to continue to serve the departed customer.*" He said this is sort of in line with what they were discussing today. In two (2) cases FERC used the utility State mandated planning horizons as the duration of the "L" figure. At that time the State mandated planning horizon was 10 years, which he thought it still continues to be 10 years. He said it would seem to him that the maximum that they would be looking out is 10 years, but in this analysis they are looking out 30 years and 50 years.

Mr. Wright said that was a mandated arbitration that was pursuant to a provision in the franchise agreement between the City of Winter Park and Florida Power Corporation. That is not the context that the City of Vero Beach has. Here the City has a proposal from IRS and FPL to purchase part of the City's system for \$13 million. The City has an asset and the proposition to the City is, and the charge they were given in conducting this analysis, was what would it take to keep the City and the rest of the City's customers whole if they were to sell the IRS book of business. In analytical terms, it has value beyond that. There are stranded costs beyond 10 years and the asset has value beyond 10 years.

Mr. Auwaerter briefly reviewed a hand out on the Electric Rate Comparison - Vero Beach vs. Ft. Pierce with the Commission members (attached to the original minutes).

Mr. Brovont referred to the 3% used for factoring the discount rate. He said that he did an analysis using a discount rate of 8%. He said that he did this because he thought the discount rate of 3% was thin. He said that it did not make sense for him to quibble over the figures that the City projected and he was not willing to spend hours second guessing this paperwork and he doesn't have any basis to do that. But, he does have basis for judging the 3% and asked Mr. Wright to defend it. He noted that he did not have a real problem with the 3%, but his point was that when he did the analysis using 8%, he was coming in close to the figures listed, but he did not go out as far. He felt that they did a great job on the analysis and didn't think they could ask for anything more.

Mr. Polackwich referred to the \$42 million figure and how they came to that amount. He said they used a 30-year cash flow and discounted that back to present. He asked if they thought about using a terminal value at the end. He explained that is a formula where they project out indefinitely. They would have the final cash flow and the discount rate, subtract a growth rate from that and then discount that all the way back to the present, which would give them a terminal value on what it is worth indefinitely. He asked if they thought about this from an evaluation standpoint.

Mr. Wright said they did not think about using a terminal value.

Mr. Tonkel asked Mr. Polackwich if this analysis was done as he just discussed, would that have had a material effect on the figure calculated.

Mr. Polackwich said that he agreed with the 3% figure. But, if they used the terminal value on the 30-year it would bump up the \$42 million a little bit to maybe \$44 million or \$45 million.

Mr. Tonkel asked has this information been provided to IRS.

Mr. Wright thought the information was sent to IRS's after it was provided to the Finance Commission, Utilities Commission, and the City Council.

Mrs. Moss asked what happens when this franchise agreement with IRS expires in October.

Mr. Wright said all that happens is that IRS' obligation to the City terminates and the City's obligation to IRS terminates.

Mr. Tonkel said although he was troubled by the fact that there was a \$20 million difference in the preliminary evaluation and what was given to them today, it seems to be a reasonable analysis to take to the interested parties for further negotiations.

Mrs. Moss agreed and noted that she was going to make a motion to a slightly different effect.

Mrs. Moss made a motion that in order to honor the will of the voters who approved referenda supporting the sale of the City's electric to FPL that the Utilities Commission advise the City Council to join in discussions with FMPA, OUC, FPL, Indian River County, and the Town of Indian River Shores regarding the sale of the entire system. Mr. Mechling seconded the motion.

Mr. Lapointe asked how would that vary from the process that would be occurring without that motion. He asked how does that change the process going forward.

Mrs. Moss said it would substantially change it because if they go forward in selling the entire system they could stop debating and IRS would not be an issue. It would become a mute point. The motion is strictly for the City to go to the table and discuss it.

Mr. Wright thought the big difference is that the motion includes the entire system and what they were discussing today was the informational presentation on just IRS.

Mrs. Moss said Mr. Wright would be presenting his information to the City Council at tomorrow's meeting and at the end of his presentation Mr. Dylan Reingold, of Indian River County, would be making a presentation that has something to do with FMPA.

Mr. Tonkel asked is this a replication of the prior Resolutions offered by the City to sell the entire system.

Mrs. Moss said if anything it could be a confirmation. She explained that all she was proposing was that they all gather in the same room to discuss this.

Mr. O'Connor said that Mr. Reingold has not shared with him what his plan is for tomorrow's City Council meeting. He is hoping that he would give them a name of someone from FMPA that they can talk to. FMPA has said all along if the City had a willing buyer that is qualified that they would sit down and negotiate.

Mrs. Moss said her motion is to encourage everyone to sit in the same room at the same time and review it.

Mr. Tonkel said that he would be voting against her motion. He felt they should allow the jurisdictions to continue their negotiations with the new information. He did not see the necessity or the value of the motion at this stage.

At this time, Mrs. Moss repeated her motion.

Mrs. Orcutt felt it was inappropriate to have that motion because they came together for today's meeting to hear this other information. She said they have not heard anything regarding Mr. Reingold's proposal. She did not think today's meeting was held for the Commissions to make a motion, but to have the opportunity to have a discussion and ask questions.

Mrs. Moss agreed in that they were not charged to make a recommendation today.

Mr. Auwaerter felt the motion might be premature. He suggested that they wait to see what Mr. Reingold would be presenting to the City Council.

Mrs. Moss withdrew her motion at this time stating that they would discuss this at a future meeting.

Mr. Gorry referred to the residential usage in the system listed in the City's CAFR. He reported that the total kilowatts for the entire system per month are about 1,060. The County and the City of Vero Beach, excluding IRS, are 939 kilowatt hours per month. Indian River Shores is 1,500 kilowatts per month, which is a 60% higher usage than Indian River County and the City of Vero Beach.

Mr. Brovont said they did a great job in doing the analysis. The only issue he has is that it would seem given the constraints the City is under, that they should have opportunities for reinvestment of funds that are above 3%. But, what they are looking at is marketable securities and what he is looking at is investment in the City's assets. He did not think they could do much better than 3% if they stay with marketable securities, but on the other hand they have major exposures. It

would seem that somewhere in the capital expenditure program that they should do better than 3%.

4. ADJOURNMENT

Today's meeting adjourned at 11:11 a.m.

/sp



2016 Electric Reliability Performance Report First Quarter

City of Vero Beach
Department of Electric T&D
May 2016

TABLE OF CONTENTS

SUMMARY.....	2
INTRODUCTION.....	3
FIRST QUARTER RELIABILITY PERFORMANCE.....	4
APPENDIX.....	11

SUMMARY

The attached report represents the electric reliability performance's assessment by the Department of Electric Transmission and Distribution (T&D) for the first quarter of 2016. The Department of T&D relies on the commonly used metrics in the industry to measure reliability performance: the System Average Interruption Frequency Index (SAIFI), the System Average Interruption Duration Index (SAIDI), and the Customer Average Interruption Duration Index (CAIDI). Frequency is influenced by factors such as system design, capital investment, and maintenance. Duration, on the other hand, is affected by work force levels and management of the workforce. The utilization of reliability data has allowed the T&D department to more accurately pinpoint trouble areas and take specific corrective actions to enhance reliability. It has helped maximize daily operations efficiently, minimize customer complaints and maintain electric system reliability.

INTRODUCTION

The electric industry has developed several performance measures of reliability known as reliability indices. These reliability indices include measures of outage duration, frequency of outages, system availability, and response time. The most common distribution indices include the System Average Interruption Duration Index (SAIDI), the System Average Interruption Frequency Index (SAIFI), and the Customer Average Interruption Duration Index (CAIDI). The time a utility company takes to restore service following an interruption can be measured by the L-Bar indicator. In each case, a lower indicator means higher reliability for our customers.

The City of Vero Beach provides electric service to an area of 40.85 square miles and has more than 34,500 billable accounts.

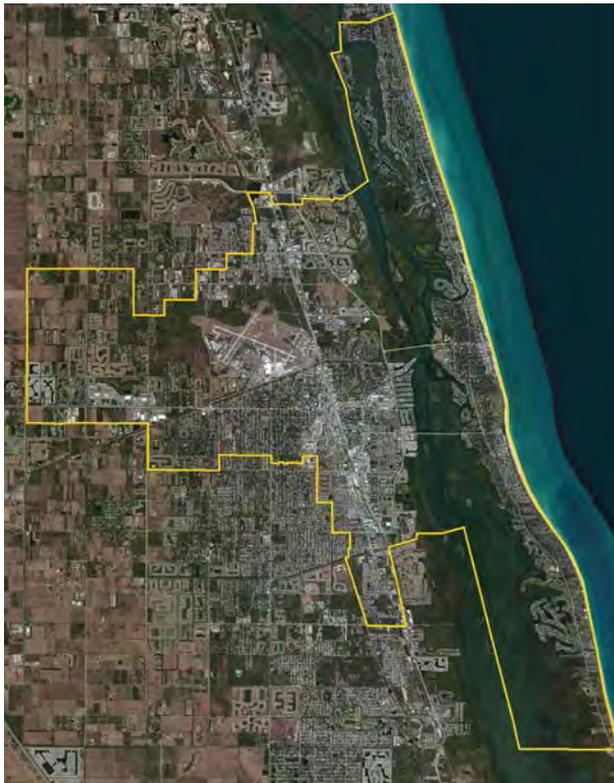
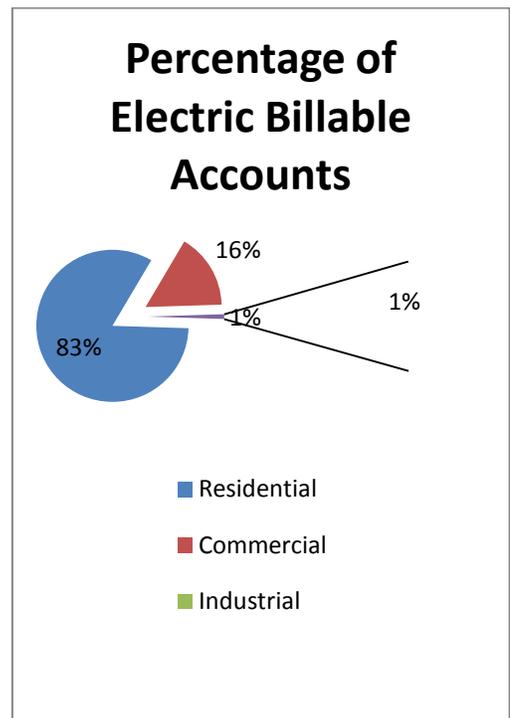


Figure 1- Electric Service Boundary



The T&D staff uses several means to monitor the levels of service reliability. First, the federal rules and regulations require the utility to collect and submit information regarding electric service interruptions on a monthly basis. Next, staff reviews this data to identify areas where increased capital investment or maintenance is needed. As an example, if a circuit was shown to be prone to lightning-caused interruptions, arrestors could be installed on that circuit to minimize the effect of future lightning strikes. Most interruptions are a result of major storms, vegetation (tree contacts), equipment failures, and events not under the utility’s control (such as animal contacts). Staff maintains interruption information in a database that enables future reviews to observe trends. Figure 2 shows the list of causes of interruption for the first quarter of 2016.

CAUSE	JANUARY	FEBRUARY	MARCH
Weather	18	5	2
Vegetation	14	10	13
Animals	5	6	9
Foreign Interference			
Human Cause		1	
Undetermined	15	20	23
Equipment Failure	10	7	3
All Remaining Outages			
Total of Outages	62	49	50

Figure 2- Causes of Outages for 1st Quarter 2016

FIRST QUARTER RELIABILITY PERFORMANCE

The interruption database enables staff to calculate the performance metrics SAIFI, SAIDI, and CAIDI. As shown in Figure 2, weather, vegetation, equipment failures, and undetermined interruptions are the predominant causes of interruption. In late January 2016, there was a significant impact on the reliability of the system due to a 69 KV lighting arrestor failure that affected five (5) substations. In March 2016 – on Easter Sunday, a major equipment

failure on the 13KV bus tie breaker caused eight (8) circuits to be opened at the power plant. T&D staff has addressed all equipment issues found during inspections. The worst performing feeders are analyzed to determine the root cause of unsatisfactory performance and correction action plans are developed.

T&D Staff vigorously continues to address vegetation issues through its vegetation management program which includes pruning and removing trees growing close to power lines, but also trees and limbs that could potentially fall unto power lines. Staff has also installed animal guards with covered lead wire on transformers targeted by animals while performing maintenance (see Pictures A, B, C and D).



Picture A - Squirrel Guard



Picture B - Squirrel Guard



Picture C – Bird Mitigation



Picture D – Bird Mitigation

Staff has taken proactive measures to replace live front switch gear equipments that have exposed electrical components with the new industry standards dead front switchgears that have isolated and enclosed components (see Pictures E and F).



Picture E - Live Front Switch Gear



Picture F - Dead Front Switch Gear

Below are shown the trends of the reliability indices for the first quarter 2016:

SAIDI – System Average Interruption Duration Index

SAIDI measures the average duration of interruptions for the average customer.

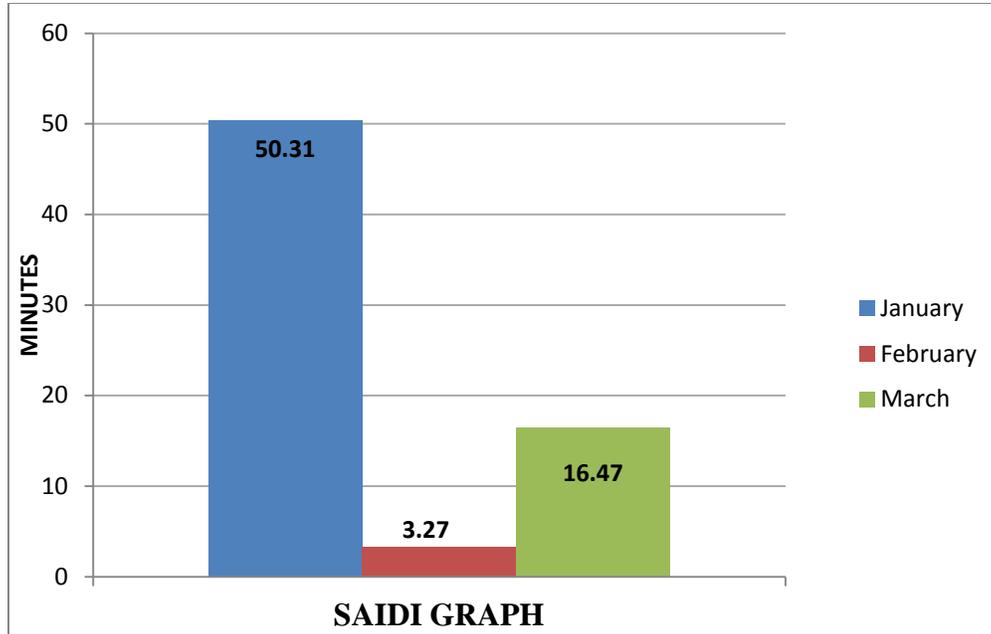


Figure 3

SAIFI – System Average Interruption Frequency Index

SAIFI measures the average frequency of interruptions for the average customer.

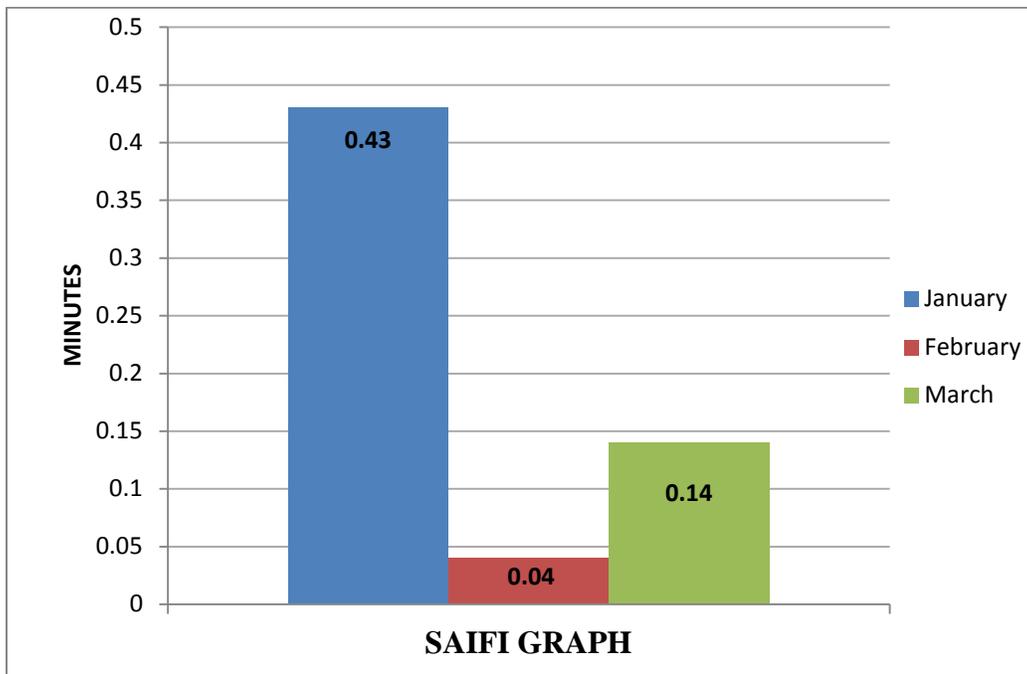


Figure 4

CAIDI –Customer Average Interruption Duration Index

CAIDI measures the average repair time experienced by the average interrupted customer.

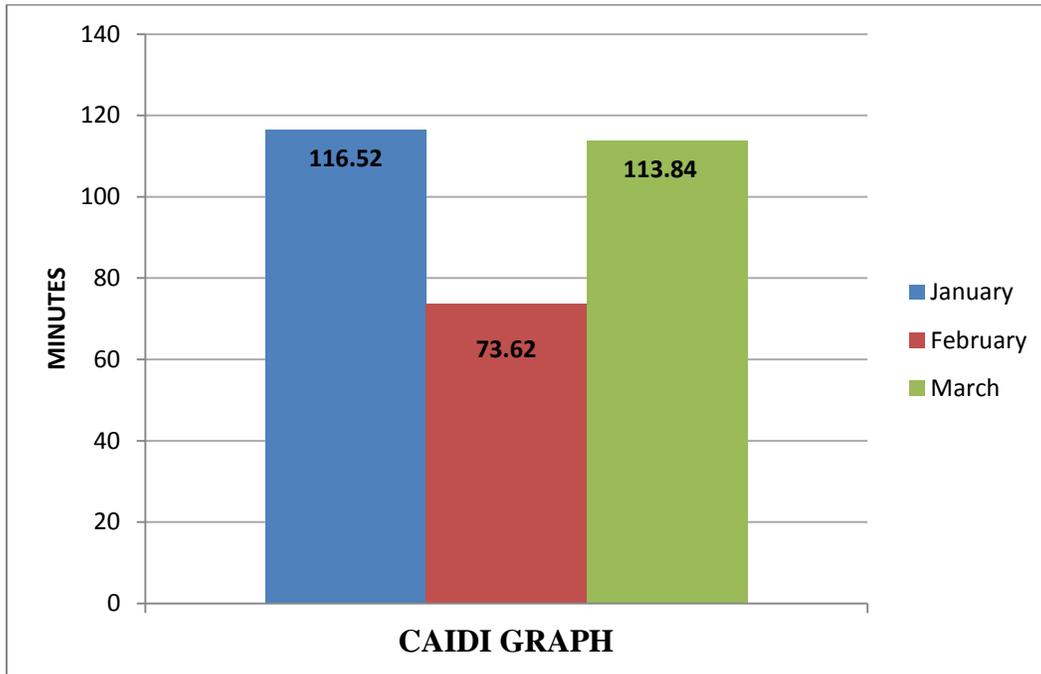


Figure 5

L-BAR measures the average length of a single outage.

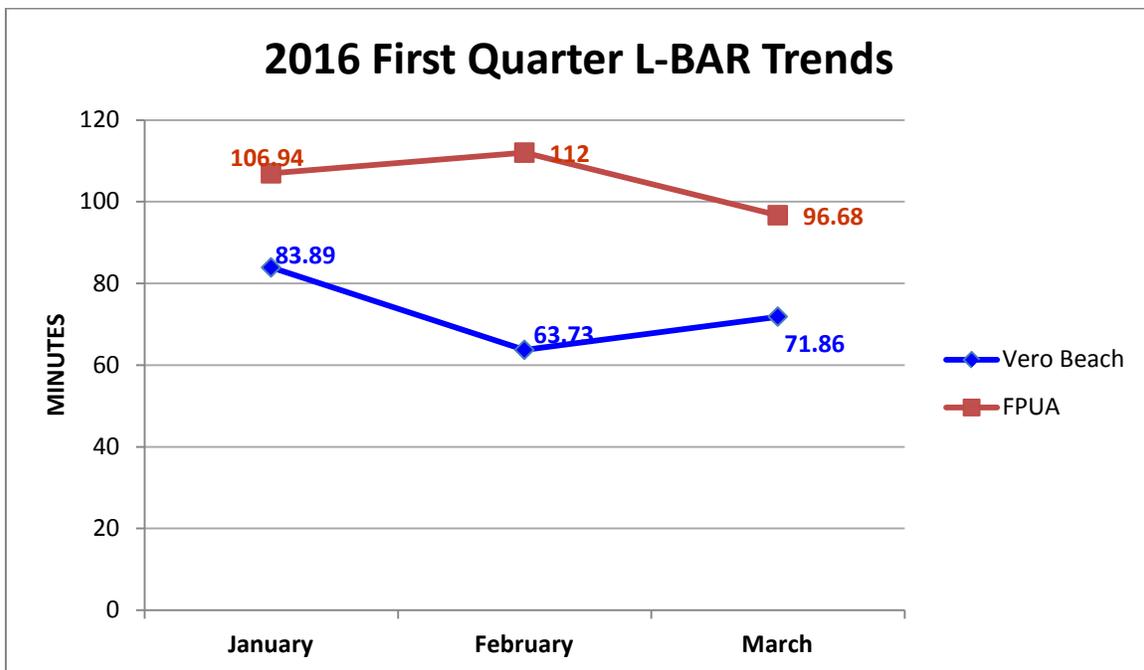


Figure 6

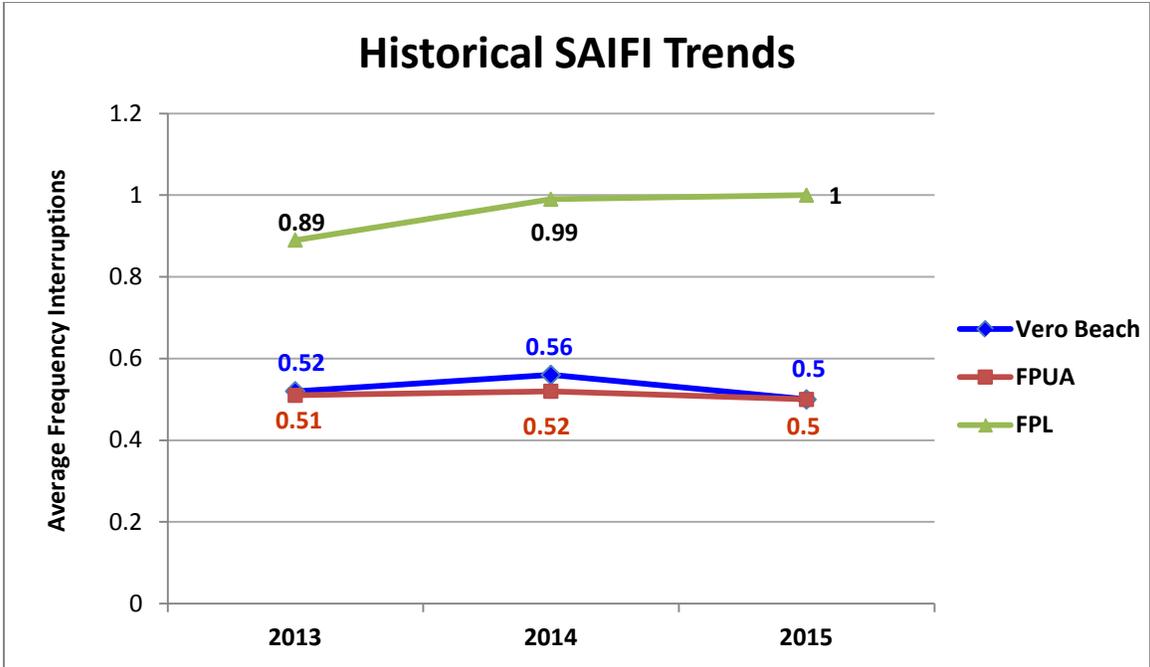


Figure 7

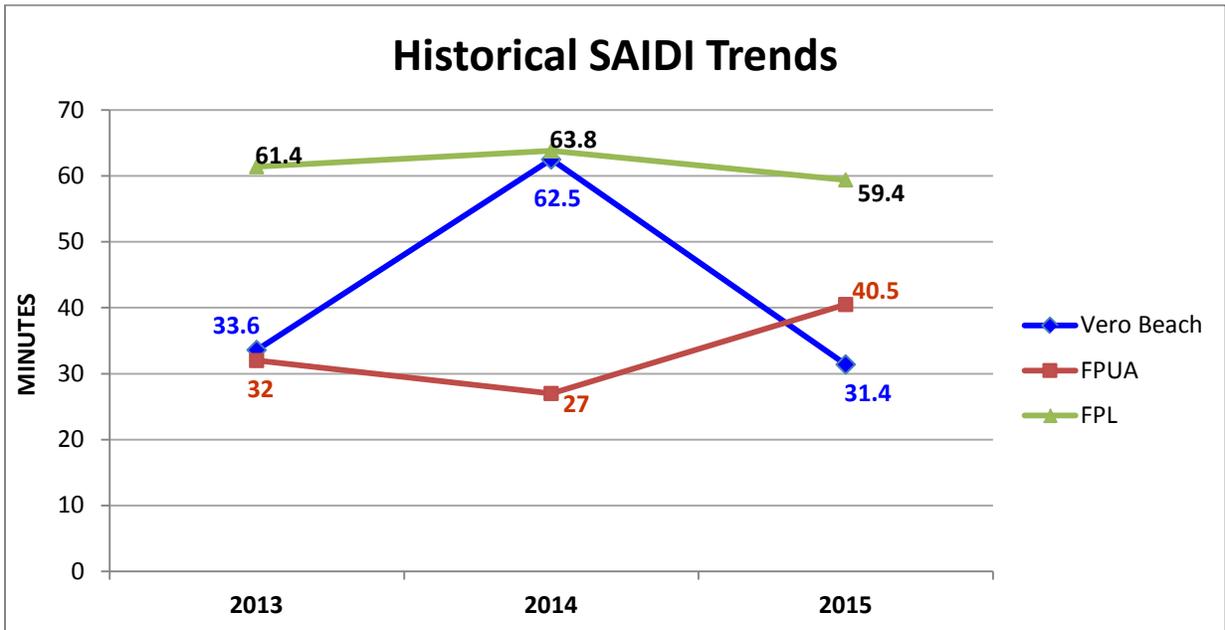


Figure 8

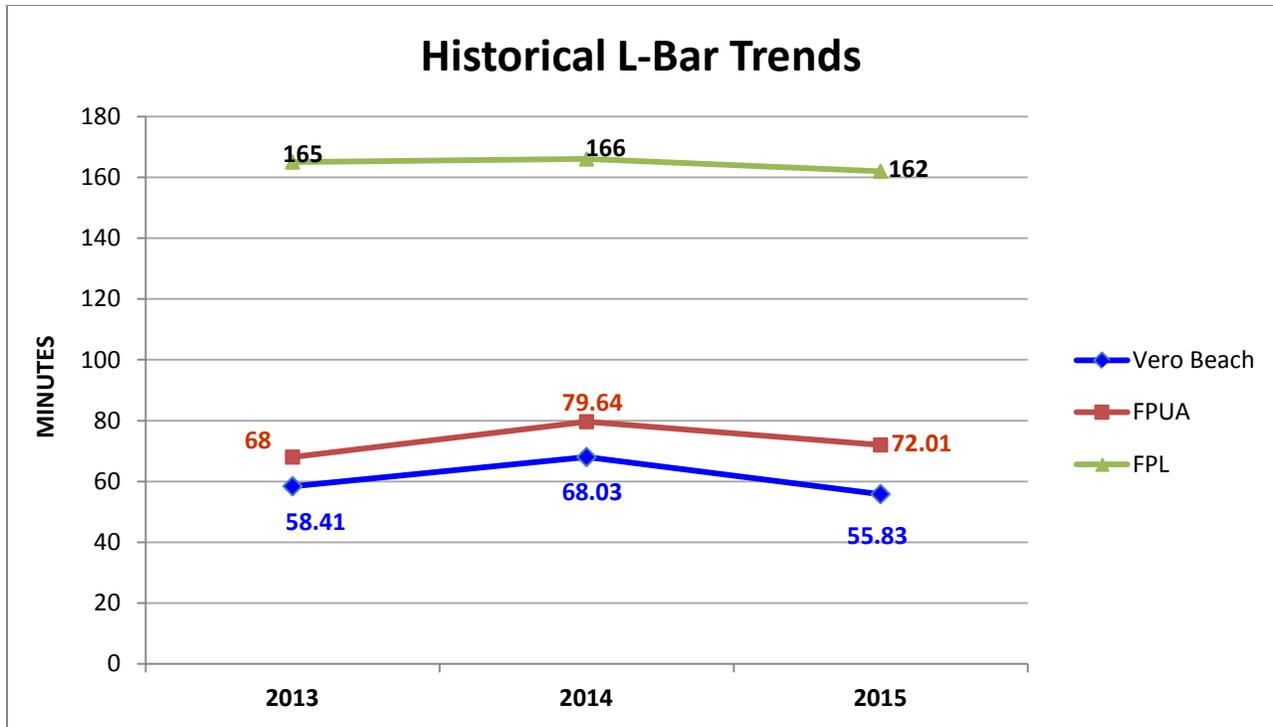


Figure 9

As observed in the L-Bar trends above, Vero Beach has outperformed both FPUA and FPL.

Values for FPL’s reliability indicators were obtained from the Florida Public Service Commission website at <http://www.floridapsc.com/ElectricNaturalGas/ElectricDistributionReliability>

APPENDIX

	January	February	March
Total Number of Outages	62	49	50
Minutes of Interruption	5,201	3,123	3,593
Total Number of Customers Served (C)	33,900	33,900	33,900
Total Number of Customer Interruptions (CI)	14,637	1,504	4,906
Sum of all Customer Minutes Interrupted (CMI)	1,705,523	110,730	558,493

Figure 10 - City of Vero Beach 2016 Reliability Indices

Weather - lightning, wind, flood, high/low temperature, major storm (hurricane, tornado...)
Vegetation - tree contacts, vines
Animals - rodents, squirrels, birds, snakes, bees, frogs
Foreign Interference - vehicle, cable cut, tree trimmer, aircraft
Human Cause - switching error, emergency manual interruption, customer caused, customer service disconnected
Undetermined
Equipment Failure - lighting arrestor, fuse, transformer, pole top pin, switch gear
All Remaining Outages

Figure 11 - List of Possible Outage Causes

SAIDI – System Average Interruption Duration Index

SAIDI measures the average duration of interruptions for the average customer.

$$\text{SAIDI} = \frac{\text{Sum of all Customer Minutes Interrupted (CMI)}}{\text{Total Number of Customers Served (C)}}$$

SAIFI – System Average Interruption Frequency Index

SAIFI measures the average frequency of interruptions for the average customer.

$$\text{SAIFI} = \frac{\text{Total Number of Customer Interruptions (CI)}}{\text{Total Number of Customers Served (C)}}$$

CAIDI –Customer Average Interruption Duration Index

CAIDI measures the average repair time experienced by the average interrupted customer.

$$\text{CAIDI} = \frac{\text{Sum of all Customer Minutes Interrupted (CMI)}}{\text{Total Number of Customer Interruptions (CI)}}$$

L-BAR measures the average length of a single outage.

$$\text{L-BAR} = \frac{\text{Minutes of Interruption}}{\text{Total Number of Outages}}$$

4-D)

Laura,
Below is the language for the canopy streets.
Thanks,
Rob

• **Sec. 71.14. - Rights-of-way required to be improved.**

This right-of-way improvement policy shall not be interpreted to require the improving of certain rights-of-way if that paving would result in the destruction of large, well-maintained, and desirable trees, or if rights-of-way which have historical significance or aesthetic appeal which would be ruined by improvement. It shall be up to the discretion of the city council to classify rights-of-way in these categories on an individual basis and the following streets are designated to remain unimproved:

- (a) Sandfly Lane;
- (b) Lady Bug Lane;
- (c) Painted Bunting Lane between Club Drive and Ocean Drive;
- (d) Camino Del Rio (east and west); and
- (e) Eugenia Road east of A-1-A.

It is the intent of this section that said roads shall remain narrow sand and shell roads, not paved or hard-surfaced, not straightened or widened, or the grade changed, and the city shall do no pruning or removal of trees or plants unless said tree or plant had been determined to be a safety hazard by the city manager or his designee; the pruning shall be guided by standards established by the International Society of Arboriculture. There shall be no installations of any utility poles and sewers along, on, or under same and said roads shall remain in their present condition and state as much as possible, and the material used for maintenance shall be sand or shell similar to what is there now.

(Ord. No. 84-15, § 1, 7-3-1984; Ord. No. 90-14, § 1, 2-20-1990; Ord. No. 2012-20, § 2, 10-2-2012)



*Robert J. Bolton, P.E., Director
City of Vero Beach
Water and Sewer Department
17 17th Street
Vero Beach, FL 32960
rbolton@covb.org
(772) 978-5220*

4-E)

MEMORANDUM

TO: Mayor and Council

FROM: James R. O'Connor, City Manager 
Cynthia D. Lawson, Finance Director 

DATE: May 31, 2016

SUBJECT: **SECOND QUARTER FISCAL YEAR 15-16 ELECTRIC UTILITY RATE SUFFICIENCY**

Attached for your review and consideration during the June 7, 2016 City Council meeting is the second quarter analysis of Electric Utility rate sufficiency for FY 15-16, including actuals through March 2016.

Based on this analysis, staff is recommending that the Purchased Power Cost (i.e. Bulk Power Cost Adjustment) be decreased from \$65.15 per 1,000 kWh to \$63.15 per 1,000 kWh effective with billing read dates beginning June 15, 2016. This represents a decrease of 1.7% on a typical 1,000 kWh residential bill. This analysis has been reviewed with the City's rate consultant, PRMG, and they concur with this recommended reduction, pending the completion of the rate study scheduled for later this summer. The Finance Commission reviewed this analysis at their meeting on May 26, 2016 and voted unanimously to endorse staff's recommended rate reduction.

Attachment A is an updated FY 15-16 summary which incorporates:

- Actual billed revenues and purchased power expenses through March 2016
- Operating expenses and other expenses/revenues per the adopted FY 15-16 budget. For the Power Resources department, this has been updated to reflect the latest estimated costs for staffing and capital projects based on closure of the power plant and optimization of the utility.

This summary shows a year-end surplus currently estimated at \$1.988 million.

Attachment B is a detailed comparison of actuals versus forecasts for kWh sales, billed revenue and purchased power costs.

Attachment C compares actual versus forecast sales, revenue and purchased power costs in graph format. Per a request from the Utility Commission, bar graphs have been added which compare actuals versus the forecast on a year to date basis.

Staff will continue to monitor and compare the actual revenues and expenses to the forecast and provide the Commissions with an updated sufficiency analysis on a quarterly basis.

SUMMARY OF EXPENSES, REVENUE AND REVENUE SURPLUS (DEFICIENCY)

	PROJECTED FY 15-16	SOURCE
Operating Expenses		
Power Resources	2,484,980	FY 15-16 Revised Budget
Purchased Power	57,846,468	Revised Forecast (Actuals to Mar 15)
Customer Service	1,988,729	FY15-16 Adopted Budget
Transmission & Distribution	5,266,058	FY 15-16 Adopted Budget
Electric System Design	605,827	FY 15-16 Adopted Budget
Electric Metering	845,334	FY 15-16 Adopted Budget
Non-Departmental	4,743,858	FY 15-16 Adopted Budget
Total Operating Expenses	73,781,254	
Other Revenue Requirements		
Debt Service	5,500,000	FY 15-16 Adopted Budget
Transfer to the R&R Fund (Fund 403)	5,000,000	FY 15-16 Revised Budget
Transfer to the General Fund	5,440,000	FY 15-16 Adopted Budget
TOTAL REVENUE REQUIREMENTS	89,721,254	
Projected Rate Revenue		
		At Current Rates
Residential	46,456,677	Projected (Actuals to Mar 16)
Commercial	41,023,700	Projected (Actuals to Mar 16)
Industrial	1,543,444	Projected (Actuals to Mar 16)
Outdoor Lighting	1,008,395	Projected (Actuals to Mar 16)
Total Projected Rate Revenue	90,032,216	
Other Revenue		
Interest revenue	150,000	FY 15-16 Adopted Budget
Customer fees and penalties	701,000	FY 15-16 Adopted Budget
Customer Service charges - Water/Sewer & Solid Waste	529,745	FY 15-16 Adopted Budget
Miscellaneous revenue	296,316	FY 15-16 Adopted Budget
TOTAL REVENUE	91,709,277	
REVENUE SURPLUS (DEFICIENCY) ORIGINAL FORECAST	1,044,745	Adopted Budget
REVENUE SURPLUS (DEFICIENCY) CURRENT PROJECTED	1,988,023	2.21% of revenue forecast

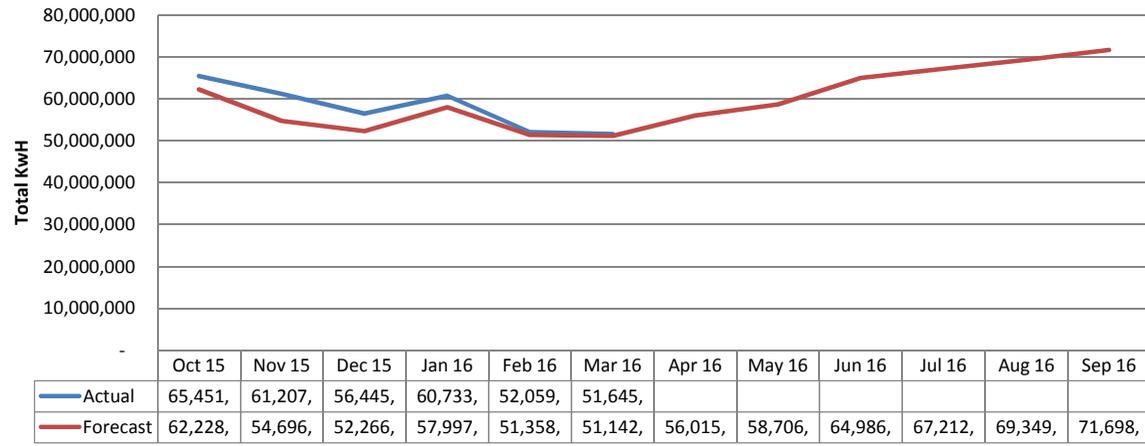
ATTACHMENT B

COMPARISON OF ORIGINAL FY 15-16 FORECAST TO ACTUALS

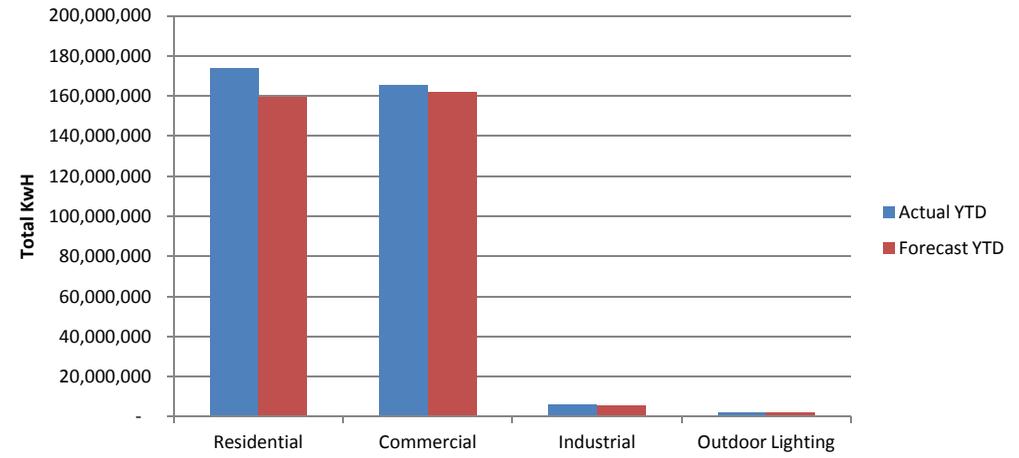
ACTUAL YEAR TO DATE	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16	Apr 16	May 16	Jun 16	Jul 16	Aug 16	Sep 16
Kwh Sales												
Residential	32,448,407	30,024,494	27,481,956	30,587,558	27,569,810	26,076,994	-	-	-	-	-	-
Commercial	31,336,073	29,716,076	27,597,467	28,836,762	23,357,708	24,324,433	-	-	-	-	-	-
Industrial	1,317,600	1,118,400	1,017,600	960,000	782,400	895,200	-	-	-	-	-	-
Outdoor Lighting	349,480	348,831	348,524	349,481	349,335	348,805	-	-	-	-	-	-
TOTAL	65,451,560	61,207,801	56,445,547	60,733,801	52,059,253	51,645,432	-	-	-	-	-	-
Billed Revenue												
Residential	4,230,246	3,911,631	3,525,384	3,914,301	3,522,837	3,327,608	-	-	-	-	-	-
Commercial	3,658,558	3,488,960	3,206,333	3,309,786	2,736,686	2,835,562	-	-	-	-	-	-
Industrial	151,220	131,914	117,807	110,175	92,699	104,726	-	-	-	-	-	-
Subtotal	8,040,024	7,532,505	6,849,524	7,334,262	6,352,222	6,267,896	-	-	-	-	-	-
Outdoor Lighting	85,125	84,996	84,987	84,957	85,162	76,768	-	-	-	-	-	-
TOTAL	8,125,149	7,617,501	6,934,511	7,419,219	6,437,384	6,344,664	-	-	-	-	-	-
Purchased Power Costs												
St Lucie	669,635	675,467	675,467	675,467	675,467	675,480	-	-	-	-	-	-
Stanton	955,649	857,696	661,811	649,772	828,880	826,253	-	-	-	-	-	-
Stanton II	425,600	659,538	655,745	620,041	780,788	695,597	-	-	-	-	-	-
OUC	2,581,851	2,920,159	3,013,917	2,965,419	594,538	2,317,738	-	-	-	-	-	-
FPL	240,882	236,539	216,763	234,264	248,863	218,758	-	-	-	-	-	-
Fuel (COVB)	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	4,873,617	5,349,399	5,223,703	5,144,964	3,128,537	4,733,826	-	-	-	-	-	-

ORIGINAL FORECAST - FY 15-16	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16	Apr 16	May 16	Jun 16	Jul 16	Aug 16	Sep 16	FY TOTALS
Kwh Sales													
Residential	29,914,824	25,431,784	24,352,956	30,137,120	25,205,496	24,586,382	26,763,879	27,998,957	31,872,781	33,607,557	34,979,636	36,063,009	350,914,381
Commercial	30,638,338	28,111,849	26,636,975	26,759,067	24,902,485	25,211,920	27,769,904	29,082,794	31,378,952	31,870,015	32,465,637	33,757,994	348,585,930
Industrial	1,332,469	810,474	932,038	756,189	906,046	999,859	1,136,315	1,278,455	1,388,919	1,388,919	1,557,864	1,533,903	14,021,451
Outdoor Lighting	342,501	342,546	344,974	345,120	344,458	343,893	345,784	346,122	345,932	345,932	345,864	343,552	4,136,678
TOTAL	62,228,131	54,696,653	52,266,943	57,997,496	51,358,485	51,142,054	56,015,882	58,706,329	64,986,584	67,212,423	69,349,001	71,698,458	717,658,440
Billed Revenue													
	Original Rate (Eff 9/1/15)		Rate Change (Effective 12/1/16)										
Residential	3,808,652	3,181,251	2,969,386	3,764,420	3,086,568	3,001,471	3,300,768	3,470,529	4,002,986	4,241,431	4,430,023	4,578,933	43,836,418
Commercial	3,623,308	3,392,309	3,240,943	3,300,335	2,985,495	3,059,313	3,286,799	3,394,562	3,677,330	3,731,189	3,779,784	3,918,151	41,389,518
Industrial	146,191	95,266	104,351	82,951	94,153	103,542	117,669	128,964	139,138	139,028	156,430	153,673	1,461,357
Subtotal	7,578,151	6,668,826	6,314,680	7,147,706	6,166,216	6,164,326	6,705,236	6,994,055	7,819,454	8,111,649	8,366,237	8,650,758	86,687,292
Outdoor Lighting (use last 3 mo avg)	84,400	84,400	84,400	84,400	84,400	84,400	84,400	84,400	84,400	84,400	84,400	84,400	1,012,800
TOTAL	7,662,551	6,753,226	6,399,080	7,232,106	6,250,616	6,248,726	6,789,636	7,078,455	7,903,854	8,196,049	8,450,637	8,735,158	87,700,092
Purchased Power Costs													
St Lucie	752,471	752,471	752,471	752,471	752,471	752,471	376,236	752,471	752,471	752,471	752,471	376,240	8,277,185
Stanton	715,408	715,408	715,408	715,408	715,408	715,408	715,408	715,408	715,408	715,408	715,408	715,408	8,584,894
Stanton II	335,905	716,477	716,477	716,477	716,477	716,477	335,905	716,477	716,477	716,477	716,477	716,477	7,836,584
OUC	2,907,249	2,340,560	2,167,861	2,050,212	2,201,613	2,219,170	2,725,445	2,503,118	2,612,968	2,630,467	2,563,689	2,849,450	29,771,802
FPL	249,083	173,996	181,744	183,042	170,423	206,035	260,385	261,171	260,385	272,254	230,911	249,083	2,698,511
Fuel (COVB)	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	4,960,116	4,698,913	4,533,962	4,417,610	4,556,392	4,609,561	4,413,378	4,948,645	5,057,709	5,087,077	4,978,956	4,906,659	57,168,976

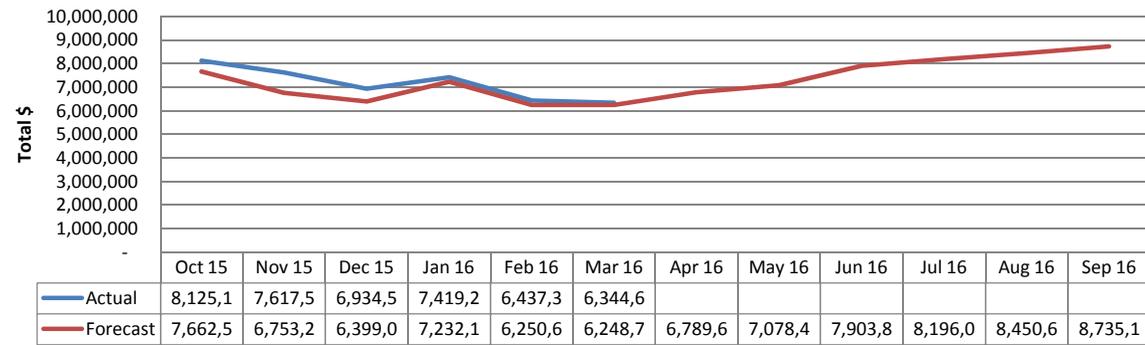
KwH Sales - Actual vs Forecast by Month



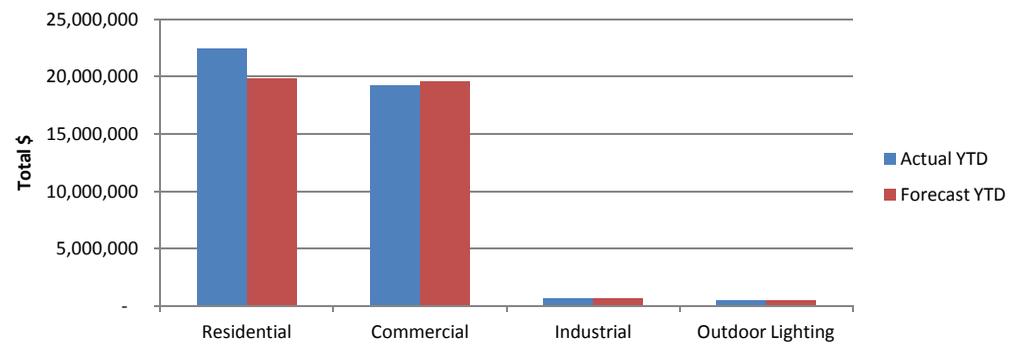
KwH Sales - Actual vs Forecast Year to Date



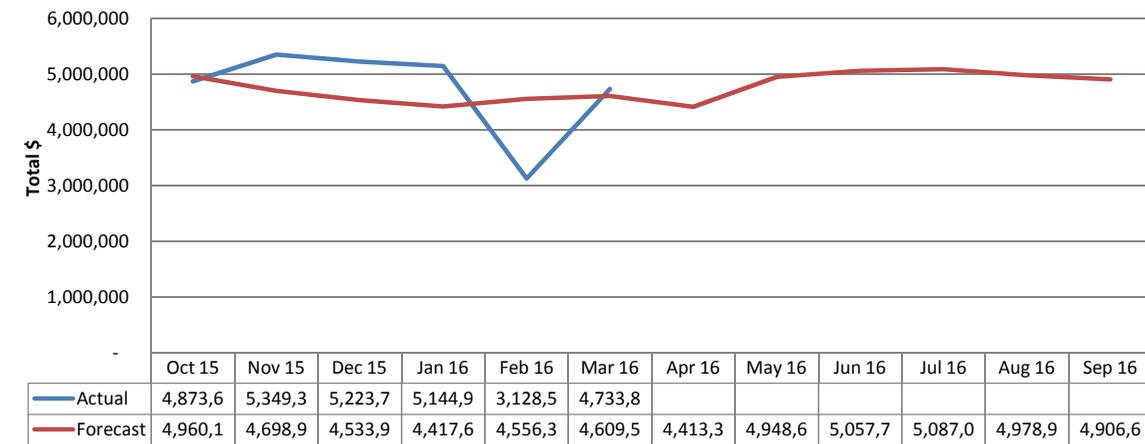
Billed Revenue - Actual vs Forecast by Month



Billed Revenue - Actual vs Forecast Year to Date



Purchased Power Costs - Actual vs Forecast by Month



Purchased Power Costs by Vendor Actual vs Forecast Year to Date

