

**MINUTES
CITY OF LAKE WORTH BEACH
ELECTRIC UTILITY CITY COMMISSION MEETING
TUESDAY, JANUARY 28, 2020 – 6:00 PM**

The meeting was called to order by Mayor Pam Triolo on the above date at 6:00 PM in the City Commission Chamber located at City Hall, 7 North Dixie Highway, Lake Worth Beach, Florida.

ROLL CALL: Present were; Mayor Pam Triolo; Vice Mayor Andy Amoroso; and Commissioners Omari Hardy and Herman Robinson. Also present were City Manager Michael Bornstein, City Attorney Christy L. Goddeau and City Clerk Deborah Andrea. Commissioner Scott Maxwell was absent.

PLEDGE OF ALLEGIANCE: led by Vice Mayor Andy Amoroso.

AGENDA - Additions / Deletions / Reordering:

PRESENTATIONS: (there is no public comment on Presentation items)

A. FY2019 Results and Scorecard

Ed Liberty, Electric Utility Director, gave a summary of the financial activity for FY 2019, comparing where the Electric Utility (EU) was to where it was currently. He reported that the plant was operating in good condition, working well and that the compensation for the workers had been increased to be close to the private sector; the staff had improved and they continued to recruit and bring people in. He compared the budgeted operating totals with the actual numbers for revenue and expenses, residential and commercial sales, and the balanced scorecard for financial and customer service quadrants. He said that although the actual revenue was a little less than budgeted, the actual expenses were \$2.6 million under budget, resulting in higher operating income. He went into detail about the profit and loss statement for operating revenues and expenses and showed how salaries had decreased due to the reduction in overtime costs. He explained how the actual residential sales had been .74% under the budgeted number and that actual commercial sales were 4.258% under budget. He talked about the various payment methods that customers used and the outstanding balance due on the additional billed deposits.

Comments/requests summary:

1. Vice Mayor Amoroso asked about the \$2.00 convenience fee and if it would end in 2020.

Mr. Liberty explained that the convenience fee would be zero after the first quarter of 2020. He said that customers had to go off site to make cash payments and the City did not have to pay for the service.

Mr. Liberty said that the pole attachments numbers were with Comcast and did not show AT&T; the numbers reflected the catch up for prior years and there had been an audit. He stated that AT&T was working on a pole count and there had been a difference in opinion about who owned which pole.

Vice Mayor Amoroso requested to see the numbers with Comcast and AT&T.

Mr. Liberty said they had been trying to stop the lashing where people tied on to the existing pole attachments. He iterated that there should a process when a pole was replaced because of an emergency, the City could charge a certain amount.

2. Vice Mayor Amoroso asked about the increase in investment revenue shown on the monthly portfolio.

Clyde Johnson, Budget Manager, stated that the investment revenue flowed from the investment portfolio.

3. Commissioner Hardy asked about the investment portfolio, for an explanation of the CAIC and if there would be negotiations with any other companies for pole attachment agreements.

Mr. Liberty replied that he did not manage the investment account and would need to ask the Finance Director. He stated that the CAIC was to cover the costs of installing a larger transformer or service wire and that one other company, Crown Castle, would be added to the pole attachment agreements, which would increase the revenue.

4. Vice Mayor Amoroso asked if the CAIC would be larger with the Mid and other development coming online next year. He asked if Crown Castle was the company that represented all the small cell companies.

Mr. Liberty responded that yes, it would increase the revenues next year.

City Attorney Goddeau said yes, that Crown Castle was the company for all the small cell companies.

Mr. Liberty said Crown Castle was a company that came into a city to make sure everyone had cell service.

5. Commissioner Robinson asked what comprised other revenues.

Mr. Liberty replied that it could be fees or sale of equipment, but not a power sale or other ordinary sales issue.

6. Commissioner Hardy asked what the maintenance what was the difference and Mr. Liberty said he would get back to them. He also asked about union people who were asking about overtime vs. contractual services.

Mr. Liberty said that the EU did contract out work because there were only about a dozen linemen, and if they were called out for an emergency and the overtime was for eight hours, they could not work for the next eight hours. He stated that EU staff did minor work but could not be committed for larger projects. He reported that the vegetation management was contracted out, but the EU did not hire a contractor to do the line work and EU staff would maintain the work after construction. He stated that he made the decision to stop the unnecessary work and stopped paying overtime for the rodeo and for riding in parades, but they people were brought in when needed.

7. Mayor Triolo asked about preparation before major storms.

Mr. Liberty responded that EU crews got ready for the storms, but mutual aid crews came from other states before the storm hit and remained until the storm was cleared, which cost between \$2.5 and \$2.9 million dollars in the insurance fund.

Mr. Liberty spoke about the declining costs for power and gas prices and said that benefits from the solar projects would felt in early 2024. He explained that there could be a spike because of an outage or a spike in power prices per month, which increase amounts up.

8. Commissioner Hardy inquired if the City was hedged in case of natural gas spikes.

Mr. Liberty replied that the City did not hedge, except in our portfolio where about 50% was in natural gas, and would drop about 15 percentage points when solar began.

Mr. Liberty discussed the budget for salaries which had gone up, and overtime which had been cut significantly. He stated that staff had been very responsive and were doing great work; the expenses were being controlled. He spoke about the residential sales and showed the track they use to create the new budget and they still do not have all the numbers and they were trying to improve the forecasting of the sales.

9. Commissioner Robinson asked about the commercial rates.

Mr. Liberty answered that the commercial rates were a little higher but did not know if commercial sales would increase if rates were lower.

10. Mayor Triolo said what she had heard from people in the community that big business owner's bills came down while small business owners were paying more and inquired if anything could be done.

Mr. Liberty said that there would be a cost of service study presented in the near future.

Mayor Triolo requested information about businesses for a comparison study.

Mr. Liberty spoke about the electric charging stations that would be installed.

11. Commissioner Robinson asked about putting stations at the Park of Commerce.

Mr. Liberty replied that various locations were being considered and the placement would have to be strategic because they were expensive to install. He stated that the chosen locations were near transformers and would require minimal construction; the City would offer a value-added service in the hope of bringing more traffic to the commercial community.

City Manager Bornstein relayed that there had been discussions about how to get homeowners interested in having electric car chargers and charging stations around the City would be a good first foray into the market.

Mr. Liberty said that the EU would look at the cost of providing chargers to residents.

12. Commissioner Hardy asked what the impact of a high demand for electric cars would have on electric demand and the revenue profile.

Mr. Liberty replied that it would help the City with revenue but could create a problem if the cars would charge immediately when they were plugged in rather than setting the charging for overnight.

Vice Mayor Amoroso left the meeting at 7:10 PM and returned at 7:12 PM.

Mr. Liberty spoke about the balanced scorecard, which was done on a monthly basis, and showed growth in residential but stayed the same in commercial. He said that more data was being analyzed than ever before and explained that more degree days and rainfall that cooled a house, resulted in the electric power costs decreasing. He reported that streetlights were monitored, there was less demand for conservation audits, meter tampering had decreased and customer disconnections had increased.

13. Commissioner Hardy stated that the City was doing well at getting streetlight outages repaired.

Mr. Liberty said that there was a night crew to look for streetlights that were out. He announced that people could call in or check the website and someone would fix the light.

Mr. Liberty said that there had been between 4,000 to 4,700 customers coming in to pay their bills each month and stated that the focus would be better spent working with customers with real issues. He mentioned that office staff could help download the payment code and set up the payment app on customers' phones so they could pay their bills 24 hours a day, seven days a week.

14. Vice Mayor Amoroso asked if he needed to wait at utility customer service to obtain a bar code and if he could take his utility bill to one of the pay by me locations.

Mr. Liberty replied that there would be bar codes printed on the utility bills for each payment vendor.

Franco Bellitto, Customer Service Manager, answered that the bar codes would be on the utility bills in three to six months. He stated that there was a bilingual customer service representative to help with the codes the representatives or explaining new payment service.

15. Commissioner Robinson gave kudos to Mr. Bellitto and the customer service staff because of the increase the workload.

Mr. Liberty ended the presentation with the yearly reliability data, which exhibited the improvement in reliability in each category and the net metering data, which showed that there were 107 customers up and running, 19 of the interconnection packages were incomplete, 28 had not responded and there were 14 new applications in process.

16. Vice Mayor Amoroso asked if the non-responders were commercial or residential, how they had been notified and what would be the next step.

Mr. Liberty replied that it was a combination of commercial and residential. He stated that the residents and business owners would see an increase in their bills because they were no longer in the program.

Joel Rutsky, Revenue Protection Manager, responded that customers in the program had been sent certified mail but some never picked up the package. He iterated that a regular mail delivery was sent followed by emails and numerous attempts by certified and regular mail to their billing and services addresses. He reported that he had gone to the largest commercial location twice but had not heard back. He said that perhaps non-responders would contact the EU when they no longer received the solar credits on their bills.

City Attorney Goddeau said that the non-responders were no longer in the program nor grandfathered in and would be subject to the new rules.

17. Commissioner Hardy asked if people could use the Bert Harris Act.

City Attorney Goddeau answered that usually the Bert Harris Act was tied to property rights.

City Manager Bornstein complimented Mr. Liberty on his leadership and praised his capable and amazing team. He stated that the refurbishment of the system as well as pursuing the system hardening and a second tie line would have to continue. He announced that there would be significant investments made to the citizen-owned electric utility; its revenues did a lot of good in the City. He said that the EU was competitive in the marketplace and they were working to be a progressive energy leader with the carbon footprint and the ocean current energy. He stated that the EU had gone from a liability to a valuable asset and would be come a desirable brand.

18. Mayor Triolo expressed pride in the EU team.

The meeting recessed at 7:52 PM and reconvened at 8:04 PM.

B. Lake Worth Beach (LWB) Electric Utility (EU) Web Page and News Page

Mr. Liberty said that the City had revamped its web presence and he would speak about the added EU section of the website, which would provide information about its vision and message regarding the future. He announced that the wording Citizen Owned Energy now belonged to Lake Worth Beach. He introduced Michael Taylor, Owner of Simple Mind Corporation, who had been contracted to set up and launch the EU website landing page and provide outreach strategy services.

He said that the EU page would be the reflection of a strategy for people to understand the concepts and educate residents about what would be planned for the future. He stated that communication was a tool and would be used to position LWB as an active and innovative city regarding sustainability and the exciting partnerships being fostered through the ocean current technology. He explained that the page would have a monthly feature with important information as well as issues that affected the system's reliability, how to pay your bill, what to do after a storm plus topics such as major solar events and electric cars with a calculator to show what could be saved by driving one. He said that there could be email campaigns to disseminate information.

Comments/requests summary:

1. Mayor Triolo asked what Mr. Taylor's services would entail and if there would be a database of those who logged in.

Mr. Taylor responded that he would be doing newsletters and search engine optimization as well as creating a wider audience for our content. He said that a database would be very important for getting information out.

Mr. Liberty said that the FMPA would come to film the solar field and the footage would be used in an FMPA ad campaign.

Mr. Taylor said that items would continue to be added to the archived section.

2. Vice Mayor Amoroso asked if they were working with the City's social media team.

Mr. Taylor replied affirmatively.

Mr. Liberty said that he met with Mr. Taylor to discuss what was happening in the City to make sure the information was marketed. He stated that Simple Mind would build on the Strategic Plan, the vision and what the electrical utility had accomplished.

3. Commissioner Hardy opined that the website looked great, and suggested having a summary of the annual report.

Mr. Taylor said there would be a type of annual report, maybe in letter format, with some data and graphics.

4. Mayor Triolo said that this was a content driven web page and the information was only as good as the information you got to the web master because communication could have influence.

Mr. Liberty said the EU was trying to control the message to those who needed to hear it.

5. Commissioner Robinson asked if residential solar was being addressed and promoted.

Mr. Liberty replied that it would be addressed as it was part of the energy mix, but the City was not in the habit of promoting something that would reduce its business.

Commissioner Robinson asked how the City could get a grant from the Volkswagen settlement.

Mr. Liberty said that the City did not have the resources to go after this but perhaps it could be discussed with the City's lobbyist.

6. Mayor Triolo inquired about having a place for realtors to be able to give current information to new buyers and business owners.

Mr. Liberty said they would work on that and give people a sense of pride in ownership of the utility.

Vice Mayor Amoroso asked about a "did you know" for realtors where they could get the information they about the electric utility.

PUBLIC PARTICIPATION OF NON-AGENDAED ITEMS AND CONSENT AGENDA:

No one from the public spoke.

APPROVAL OF MINUTES:

Action: Motion made by Vice Mayor Amoroso and seconded by Commissioner Hardy to approve the following minutes:

- A. October 29, 2019 meeting

Vote: Voice vote showed: AYES: Mayor Triolo, Vice Mayor Amoroso and Commissioners Hardy and Robinson. NAYS: None. ABSENT: Commissioner Maxwell.

ADJOURNMENT:

Action: Motion made by Vice Mayor Amoroso and seconded by Commissioner Hardy to adjourn the meeting at 8:45 PM.

Vote: Voice vote showed: AYES: Mayor Triolo, Vice Mayor Amoroso and Commissioners Hardy and Robinson. NAYS: None. ABSENT: Commissioner Maxwell.