

Utility Advisory Committee
Tuesday, August 22, 2006 – 6:30 p.m.
100 North Andrews Avenue, 8th Floor Conference Room
Fort Lauderdale, Florida 33301

Board Members	Attendance	2006 Cumulative Attendance		
		Present	Absent	Total
Bunney Brenneman, Chair	P	8	0	8
Richard Barrett	P	8	0	8
Bob Caine	A	7	1	8
Christine Campbell, Vice Chair	A	6	2	8
L. Thomas Chancey	P	7	1	8
Bob Cole	P	7	1	8
Caldwell Cooper	A	5	1	6
Joe Holland	P	8	0	8
Dr. Magdalene Lewis	P	7	1	8
Terri Murru	P	7	1	8
Fred Stresau	P	7	1	8
Dr. Geri Udell*	A	1		
Clare Vickery	P	4	4	8
Nathaniel Wilkerson	P	5	3	8

*no meeting notification provided

City Representatives

Bob Dunckel, Assistant City Attorney
Peter Partington, City Engineer
Mark Almy, City of Fort Lauderdale Staff
Alexandra Grant, Recorder

Guests

Lynn Shatas, Florida Power & Light
William Coakley, Chair, Lake Worth Utility Task Force
Mike McGrath, Edison Electric Institute

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I. Call to Order

Chair Brenneman called the meeting to order at 6:35 p.m.

II. Roll Call

The recorder, Alexandra Grant, took roll call.

III. Self Introductions

Self introductions were made.

IV. Approval of Minutes – July 25, 2006 Meeting

Chair Brenneman requested additional detail from the meeting to be added by the recorder to the July 25, 2006 minutes so as to make them more complete.

V. Old Business

Response to Trevor Underwood Proposal for Municipalization and Undergrounding **Lynn Shatas, FPL
External Affairs Manager**

[Committee member Dr. Lewis arrived at 6:40 p.m.]

Lynn Shatas of FPL provided a brief update on the storm secure plan initiative. She spoke of the following five issues currently being addressed:

Complete post hurricane damage assessment.

Ms. Shatas stated that FPL had checked 17,000 miles of feeders, replaced 108,000 street lights and made corrections to over 50,000 facilities since the 2005 hurricane season. With this upgrade, FPL currently met national safety code standards and would make continual improvements. FPL was also starting to harden infrastructure. The first project at Port Everglades had been completed. In addition, Jackson Memorial Hospital and St. Mary's Hospital also had poles replaced. Critical infrastructure would be hardened further such as fire and police facilities and hospitals.

[Committee member Terri Murru arrived at 6:42 p.m.]

Undergrounding.

Ms. Shatas stated that FPL encouraged undergrounding and understood that this was important to the community. Currently, FPL was waiting for the Public Service Commission ruling on undergrounding. She added that FPL offered a 25% investment toward undergrounding of facilities that would be strictly for municipally-sponsored projects.

Pole inspections.

Ms. Shatas advised that currently, FPL was in the process of inspecting poles and had completed 30,000 inspections so far.

Line clearing.

Ms. Shatas advised that FPL was aggressively doing line clearing. The PSC had recommended that main feeder lines be cleared every three years and laterals every six years. FPL appreciated working with the City on this pilot program. FPL was also looking at diversity of renewable fuel sources and conservation programs.

Ms. Shatas introduced Mike McGrath, of Edison Electric Institute (EEI). Mr. McGrath explained that EEI was a trade association for investor owned electrical utilities. He referred the Committee members to a handout entitled *FPL Service to the City of Fort Lauderdale*.

[Committee member Clare Vickery arrived at 6:50 p.m.]

Mr. McGrath acknowledged the public's need for reliability. However, reliability came at a cost and required a balancing act. He explained that while electricity markets were very volatile, FPL was able to keep up. FPL was currently the national leader in energy efficiency and had lower prices for homeowners than

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most government utilities. Mr. McGrath referred to rate comparisons outlined on the handout and stated that it would be difficult to beat current prices with a new utility service. He added that EEI had conducted reliability benchmarking with its investors and FPL had proved better than 75% of other investor owned utilities. He referred the Committee to rate comparison data on the handout indicating that over 90% of the time, FPL had lower prices than many other utilities. In light of this data, he felt it was difficult to justify a claim that a City owned utility would be better. He added that FPL had many more restoration crews than cities had, which was important for reliability.

Undergrounding.

Mr. McGrath advised that the cost was roughly \$1 million per mile to underground. He stated that undergrounding resulted in fewer outages. However, in the event of outages, their duration was longer. Also, undergrounding would prove difficult in flood prone areas. These were key issues to be considered. Mr. McGrath stated that the primary rationale for undergrounding was aesthetics. He felt FPL would be difficult to beat on reliability and strongly urged that the City seriously consider other options before trying to buy a utility. He spoke of the complexities and high costs of creating a City-owned utility, especially if undergrounding would be pursued.

[Chair Brenneman recognized the City Manager's arrival.]

Mr. Wilkerson asked about poles that were not owned by FPL. Ms. Shatas advised that FPL would also inspect these. Mr. Wilkerson commented that his area might not be considered for undergrounding as it was a low lying, flood-prone area. Mr. McGrath confirmed this.

[Committee member Bob Cole arrived at 7:10 p.m.]

Ms. Shatas stated that if neighborhoods in low lying areas wanted to go underground this was their prerogative. She recommended that neighborhood associations be informed of the pros and cons to undergrounding.

Ms. Murru questioned Mr. McGrath's statement that the primary rationale for undergrounding was aesthetics in hurricane prone areas. She also asked if there was some way to calculate reliability results achieved by other utilities. Mr. McGrath advised that EEI tracked reliability for its members via blind studies.

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Ms. Vickery spoke of a recent program proposing an *Option to Add a New Tax Bill* where funds were to be set aside for research. She asked whether these options were being thoroughly considered in terms of any direct benefits they might add to municipalities. Ms. Shatas advised that from the funds collected, solar panels were currently being installed on 44 homes in Sarasota County. She advised that FPL was also looking at wind power on an experimental basis. She added that currently FPL was the number one producer of wind power worldwide. Ms. Shatas stated she would keep the Committee updated on this program.

Mr. Chancey asked if the duration of outages in underground systems outside of flood zones had been calculated. Mr. McGrath responded affirmatively but stated this was difficult to assess as some underground systems were also served by overhead systems. Mr. Chancey voiced his concern about the lack of tree canopy. He pointed out that the City was limited in where it could place trees for a canopy with overhead lines. He questioned why FPL was encouraging undergrounding if this was not a good thing to do.

Ms. Shatas clarified that FPL had not encouraged undergrounding but was simply providing all the relevant information on this subject for the Committee to consider.

Chair Brenneman thanked Mr. McGrath for his presentation.

Mr. Partington asked whether the undergrounding program being reviewed by the PSC would provide an opportunity for comment. Ms. Shatas advised the PSC would rule on this program by September or October.

V. OLD BUSINESS

▪ Line Clearing Status

Lynn Shatas, FPL
Fred Stresau, Chair Tree Sub-Committee
Gene Dempsey, Urban Forester, and Mark Almy

Mr. Stresau stated that one of FPL's sub-contractors had cut the tops of palm trees on Oakland Park Boulevard on the north side. He felt this incident was a good example of why FPL should request permission from the City Commission to continue line clearing.

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Chair Brenneman agreed and stated she was appalled that the subcontractor had "butchered" these trees. Ms. Shatas stated she had received Mr. Stresau's notes. She stated that FPL would aggressively identify the City's priorities where this issue was concerned. Chair Brenneman wanted Ms. Shatas to convey that in her opinion this practice was unacceptable because the City is trying to preserve tree canopy. Ms. Shatas agreed that FPL had to be more vigilant in this regard. Mr. Stresau felt this was an ideal situation that showed the Commission why the Committee had initiated its pilot program.

Mr. Chancey spoke of a past situation where he had given trees along I-95 and relocated them into Riverside Park. He had placed these trees two feet inside the residents' properties away from the right-of-way. He asked whether neighborhood associations in critical areas could be approached and asked to move trees from swales onto private properties to assist with line clearing efforts.

Mr. Holland stated that this discussion kept coming back full circle. He felt the government had to function as the "cop" as the public could not be educated enough to do all the right things. He acknowledged FPL's role but felt this was a technical issue that required expertise and policing. He also wanted an audit trail conducted to explain why certain discussion items went off the City's agendas. He felt that the Committee should go back to looking at its 2002 document and attempt to move certain goals toward submission to the Commission.

Ms. Murru felt there was a place to have neighborhood associations work in conjunction with government to develop a format for relocating palm trees. Mr. Stresau felt this was a good time to suggest to Mr. Thornberg that he support a staff position to coordinate removal efforts.

Ms. Vickery stated that it was important to set priorities and map out clearly what this staff position would cover before the upcoming budget season. Mr. Partington stated that the Commission had the final say on the budget.

Dr. Lewis questioned why a motion was needed on this issue if FPL was in fact working on the program. Mr. Holland pointed out that FPL had certain limitations, especially where dealing with uninformed homeowners was concerned. This led to the need for a government entity to placate homeowners as FPL could not necessarily provide this staff position.

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Mr. Stresau made a motion to encourage the City to move as fast as possible to implement a program Citywide and give serious consideration to the staff resources necessary to implement and expand the pilot program.

Mr. Wilkerson seconded the motion. In a voice vote, the motion passed unanimously.

- **Update on RFP – Consulting Services**

**Electrical Infrastructure: Needs Assessment & Strategy.
City Staff and Fred Stresau, Selection Committee**

Mr. Partington advised that the RFP process was close to completion. No timetable had been set yet to put forward a recommendation for a consultant.

He stated that the City Manager was currently considering options. He explained that the particulars of the RFP limited freedom of action on the scope of work.

- **Other Old Business: None**

VI. NEW BUSINESS

- **Update on Fall Energy Workshop**

Chair Brenneman

Chair Brenneman advised that the November 4 and November 11 dates were not available at the Broward Center for the Performing Arts. Currently, the City's public information officer was trying to secure availability for October 28. She stated that if this date did not work, Beach Community Center or City Hall were other options. Chair Brenneman also stated that another option was to reschedule the workshop for January and later after the holiday season.

Mr. Partington advised that a planning meeting was scheduled and that he had spoken with the Florida Energy Commission.

- **Other New Business**

Utility Municipalization

**William Coakley
Chair, Lake Worth Utility Task Force**

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Chair Brenneman welcomed William Coakley, chair of the Lake Worth Utility Task Force, who would speak on municipalization of utilities.

Mr. Coakley asked if the City had conducted a load flow analysis. He explained that the City of Lake Worth bought its power from the Florida Municipal Power Agency (FMPA) which could handle the City's power needs. He estimated that Fort Lauderdale might require roughly 300 megawatts of power and anticipated that a utility would need to provide the appropriate power. He explained that it would cost about \$100,000 to have a private consultant do a load flow analysis while FPL would be able to do this for about one-tenth the cost. He added that overall, FPL would be cheaper than a consultant. He stressed that the City needed to know its peak load as FMPA charged fees based on the peak figure. This was the key to considering who to use for a power supply contract.

Mr. Coakley stated that Lake Worth now wanted to get out of FMPA because it was locked into a 30-year contract. He stated that the City had to consider its additional projected load over the next several years as this would possibly require another substation. He asked whether the City staff would maintain its own substations. He explained that this would require an enormous organizational and administrative effort. Regarding storm restoration, the City would also need adequate staff crews for this. Finally, he asked if the City could operate without generation profitably.

Mr. Coakley referred to the "publicpower.com" website and suggested that the Committee look at the 2006 statistics indicating that municipal utilities were almost always higher in rates.

Mr. Coakley stated that overall, key considerations for the City were power supply, administrative costs, inventory such as insulators, cutouts and fuses and engineering firms to handle technical problems.

Ms. Murru asked about the pros of municipalization. Mr. Coakley stated that the pros included 1) personal service; 2) FEMA reimbursements of about 90% for storm damage to infrastructure; and 3) more public input into the utility. He felt the disadvantage was poor management. He added that Lake Worth had eventually proved it could not manage the utility.

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Regarding solar energy, Mr. Coakley advised that the Florida Solar Energy Commission Center was giving rebates for installation of solar panels. He felt Fort Lauderdale could be a leading city in alternative energy.

Regarding outages, Mr. Coakley advised that the City look at the number of customer minutes out when making any comparisons. He suggested that the Committee call FMPA and speak with Bob McCorley for relevant information.

Ms. Vickery asked what other cities had done innovative work with solar energy. Mr. Coakley advised that New Smyrna Beach did net metering. He advised the City to scrutinize any contracts, and look carefully at FMPA's portfolio.

Mr. Barrett commented that the presentations reinforced the need for the City Commission to have a staff expert to sift through all this information. He felt a licensed professional in this field was called for. Mr. Coakley felt the municipalization project was a gamble. Mr. Barrett asked how the Lake Worth Utility Task Force had come about. Mr. Coakley explained the history of the utility and the task force.

Mr. Partington asked: "If the City were to acquire distribution resources, is there currently a competitive environment in power generation?" He also asked if Lake Worth had found that the competitive market for power generation existed. Mr. Coakley replied that this market existed, but Lake Worth was not currently part of it; therefore Lake Worth had to hunt for deals and look seriously at where its power was coming from.

Mr. Coakley stated that in Lake Worth, for every tax dollar, 10% went toward the general fund, 10% toward utility tax and 4.5% toward administrative fees. He added that currently, Lake Worth Utility had a debt of \$30 million.

Mr. Cole asked if the western areas used undergrounding. Mr. Coakley responded no. He added that there were more outages on newer systems and added that higher voltage led to less reliability.

[Mr. Wilkerson left the meeting.]

Chair Brenneman thanked Mr. Coakley for his presentation.

VII. Good of the Committee

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VIII. Next Meeting – Tuesday September 26, 2006, 6:30 p.m.

Chair Brenneman advised that the next meeting would be held on Tuesday, September 26, 2006 at 6:30 p.m.

IX. Adjournment.

There being no further business to come before this Committee, the meeting was adjourned at 8:45 p.m.