

**AGENDA
CITY OF LAKE WORTH BEACH
ELECTRIC UTILITY CITY COMMISSION MEETING
CITY HALL COMMISSION CHAMBER
TUESDAY, JULY 30, 2019 - 6:00 PM**

1. **ROLL CALL:**
2. **PLEDGE OF ALLEGIANCE:** led by Commissioner Omari Hardy
3. **AGENDA - Additions/Deletions/Reordering:**
4. **PRESENTATIONS:** (there is no public comment on Presentation items)
 - A. Electric Utility 3rd Quarter Update
 - B. Discussion of Resolution 34-2012-Net Metering
5. **PUBLIC PARTICIPATION OF NON-AGENDAED ITEMS AND CONSENT AGENDA:**
6. **APPROVAL OF MINUTES:**
 - A. May 21, 2019 minutes
7. **CONSENT AGENDA:** (public comment allowed during Public Participation of Non-Agendaed items)
 - A. Ten-year extension of Lake Worth Beach Firm Transportation Service 1 contract with Florida Gas Transmission
 - B. Task Order No. 2 with Wantman Group, Inc., for survey and Subsurface Utility Engineering services for the design of the Hypoluxo to Main Tie Line
 - C. Requesting additional funds for payment to ENCO Utility Services, LLC for Call Center Support Services
 - D. Task Order No. 3 with Power Engineers Inc., for the design of the Hypoluxo to Main Substation 138kV Tie Line

8. NEW BUSINESS:

A. Resolution 36-2019 Utility Deposits

9. ADJOURNMENT:

If a person decides to appeal any decision made by the board, agency or commission with respect to any matter considered at such meeting or hearing, he or she will need a record of the proceedings, and that, for such purpose, he or she may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. (F.S. 286.0105)

AGENDA DATE: July 30, 2019 – Electric Utility Meeting

EXECUTIVE BRIEF

TITLE:

Ten-year extension of Lake Worth Beach Firm Transportation Service (FTS1) contract with Florida Gas Transmission

SUMMARY:

Authorization to extend Firm Transportation Service (FTS1) contract (#123663) between the City of Lake Worth Beach and Florida Gas Transmission (FGT). The current 10-year extension expires in August of 2020 and is required to be extended 1 year prior to expiration or the capacity will be released to an open bid.

BACKGROUND AND JUSTIFICATION:

Lake Worth Beach (the “City”) is the holder of 6,000 Dekatherms (Dth) per day during the month of October for FTS-1 seasonal firm gas transportation service (also referred to as “capacity”) on FGT’s natural gas pipeline system. This seasonal capacity was obtained by the City decades ago as a means of ensuring the ability to deliver natural gas fuel to the City’s power plant during periods of highest demand on the FGT system (May through October annually). This capacity remains an asset of the City and has been extended every 10 years for several decades.

The City which manages its own capacity on the FGT system, recently entered into an agreement with PESCO to bundle this capacity (as well as FTS2 capacity) with natural gas and sell the bundled capacity/gas. The FTS1 capacity also ensures the City’s ability to schedule firm deliveries of 6,000 Dth per day of natural gas on a firm basis during the month of October annually should it elect to build a new unit at the power plant.

The current capacity rate for FTS1 is \$0.5318/Dth.

MOTION:

Move to approve/disapprove Ten-year extension of Lake Worth Beach Firm Transportation Service (FTS 1) contract with Florida Gas Transmission

ATTACHMENT(S):

- Fiscal Impact Analysis
- Service Agreement
- Exhibit A to Rate Schedule
- Exhibit C to Rate Schedule

FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2019	2020	2021	2022	2023
Capital Expenditures	0	0	0	0	0
Operating Expenditures	0	0	0	0	0
External Revenues	\$53,074	\$53,074	\$53,074	\$53,074	\$53,074
Program Income	0	0	0	0	0
In-kind Match	0	0	0	0	0
Net Fiscal Impact	\$53,074	\$53,074	\$53,074	\$53,074	\$53,074

B. Recommended Sources of Funds/Summary of Fiscal Impact:

Account Number	Account Description	Fiscal Year	FY Budget	Annual Revenues	Cumulative Revenue Balance
401-000-343-10-21	Cap Rev	2020	\$0.00	\$53,074	\$53,074
401-000-343-10-21	Cap Rev	2021	\$0.00	\$53,074	\$53,074
401-000-343-10-21	Cap Rev	2022	\$0.00	\$53,074	\$53,074
401-000-343-10-21	Cap Rev	2023	\$0.00	\$53,074	\$53,074
401-000-343-10-21	Cap Rev	2024	\$0.00	\$53,074	\$53,074

C. Department Fiscal Review: Edward Liberty, Electric Utility Director
 Corinne Elliott, Assistant Finance Director

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AGENDA DATE: July 30, 2019– Electric Utility Meeting

EXECUTIVE BRIEF

TITLE:

Task Order No. 2 with Wantman Group, Inc., for survey and Subsurface Utility Engineering services for the design of the Hypoluxo to Main Tie Line

SUMMARY:

Task Order No. 2 authorizes Wantman Group, Inc., (WGI) to provide survey and Subsurface Utility Engineering (SUE) services for the design of the Hypoluxo to Main Tie Line at a cost not to exceed \$89,650.

BACKGROUND AND JUSTIFICATION:

The City issued a Request for Qualifications (RFQ 18-303) for seeking letters of interest and Professional Qualifications from professional consulting companies/firms for civil engineering, geotechnical engineering, surveying, architecture, hydrogeological services, energy management and engineering services. Wantman Group, Inc. was selected for Surveying Services.

The City is currently interconnected to the Florida bulk power supply grid via a single 138 kV transmission line connection at the City-owned Hypoluxo Substation. In the event of a power supply grid or tie-line related outage, the City's Tom G. Smith Power Generation facility is responsible for providing the City's energy demand. Due to the age of power plant equipment and single tie-line power grid connection, the need to evaluate options for a second tie-line was presented and approved by the City Commission on December 13th, 2018.

The City has worked with Power Engineers as well as the Florida Municipal Power Agency over the past seven months to evaluate options for a second tie-line. The preferred option, Hypoluxo to Main, follows along the same path as the existing overhead 138kV transmission line for the majority of the route before transitioning back to City owned property.

WGI will be providing the survey and SUE services required for Power Engineers to complete the design second tie-line.

MOTION:

Move to approve/disapprove Task Order No. 2 to Wantman Group, Inc. for survey and Subsurface Utility Engineering services for the design of the Hypoluxo to Main Tie Line at a cost not to exceed \$89,650.

ATTACHMENT(S):

Fiscal Impact Analysis
Task Order No. 2 – Hypoluxo to Main Substation Survey Services

FISCAL IMPACT ANALYSIS

D. Five Year Summary of Fiscal Impact:

Fiscal Years	2019	2020	2021	2022	2023	
Capital Expenditures	\$89,650	0	0		0	0
Operating Expenditures	0	0	0	0	0	
External Revenues	0	0	0	0	0	
Program Income	0	0	0	0	0	
In-kind Match	0	0	0	0	0	
Net Fiscal Impact	\$89,650	0		0	0	0
No. of Addn'l Full-Time Employee Postions	0	0	0	0	0	0

E. Recommended Sources of Funds/Summary of Fiscal Impact:

Funds have been identified in 401-6020-531.63-15 in the amount of \$90,000. With a budget transfer to account 401-6034-531.63-15.

Account Number	Account Description	Project Number	FY2019 Budget	Current Balance	Agenda Expenditure	Balance
40160345316315	Improve/Other than Building/infrastructure	SH1801	\$9,743,326	\$687,655	\$89,650	\$598,005

F. Department Fiscal Review: Edward Liberty, Electric Utility Director
Corinne Elliott, Assistant Finance Director

07/30/19 - 7B

AGENDA DATE: July 30, 2019– Electric Utility Meeting

EXECUTIVE BRIEF

TITLE:

Requesting additional funds for payment to ENCO Utility Services, LLC for Call Center Support Services

SUMMARY:

The request of additional funds authorize payment to ENCO Utility Services, LLC for Call Center Support Services in the amount not to exceed \$80,000

BACKGROUND AND JUSTIFICATION:

The FMPA was formed in 1978 to provide a number of services for Florida municipal-owned utilities. In July of 1994, FMPA created a joint purchasing project for the joint purchasing of services, materials, supplies and equipment. The City has been a participating member of FMPA since its inception in 1978 and signed a project procurement agreement in 1994.

Under the joint purchasing project, FMPA issued a solicitation (FMPA RFP 2018-214) for Utility Call Center Support Services. FMPA reviewed the bids with its project participants and issued an award letter to ENCO Utility Services, LLC to provide call center support services.

The Service Agreement to ENCO Utility Services, LLC was presented and approved by the City Commission on August 21, 2018. Service costs are based on a per-call basis and were estimated with annual anticipated cost of \$120,000. Currently, monthly invoices are approximately \$20,000 leaving a shortfall of \$80,000. The Electric Utility is requesting additional funds to pay for ENCO's services for the months of June through September 2019 in the amount of \$80,000.

MOTION:

Move to approve/disapprove the request of additional funding for payment to ENCO Utility Services, LLC for Call Center Support Services in the amount of \$80,000.

ATTACHMENT(S):

Fiscal Impact Analysis

FISCAL IMPACT ANALYSIS

G. Five Year Summary of Fiscal Impact:

Fiscal Years	2019	2020	2021	2022	2023
Capital Expenditures	\$80,000	0	0	0	0
Operating Expenditures	0	0	0	0	0
External Revenues	0	0	0	0	0
Program Income	0	0	0	0	0
In-kind Match	0	0	0	0	0
Net Fiscal Impact	\$80,000	0	0	0	0
No. of Addn'l Full-Time Employee Positions	0	0	0	0	0

H. Recommended Sources of Funds/Summary of Fiscal Impact: Funds have been identified in 401-6033-531.34-20. With a budget transfer to account 401-1240-513.34-50.

Account Number	Account Description	Project Number	FY2019 Budget	Current Balance	Agenda Expenditure	Balance
401-1240-513-34-20	Improve/Other than Building/infrastructure	NA	\$632,874	\$22,958	\$80,000	\$22,958

401-1240-513.34-50 Contractual N/A \$632,874 \$22,958 -\$80,000 \$22,958

Department Fiscal Review: Edward Liberty, Electric Utility Director

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AGENDA DATE: July 30, 2019– Electric Utility Meeting

EXECUTIVE BRIEF

TITLE:

Task Order No. 3 with Power Engineers Inc., for the design of the Hypoluxo to Main Substation 138kV Tie Line (subject to City Attorney approval)

SUMMARY:

Task Order No. 3 authorizes Power Engineers Inc., to provide professional engineering services for the design of the new underground, Hypoluxo to Main Substation, 138kV Tie Line at a cost not to exceed \$551,278 (subject to City Attorney approval).

BACKGROUND AND JUSTIFICATION:

The City issued a Request for Qualifications (RFQ 18-302) to provide Letters of Interest and Professional Qualifications from various professional consulting companies/firms to assist the City in developing alternatives, evaluating options, design and construction phase services to improve the electrical transmission system reliability and generation economics. Power Engineers Inc. was selected under RFQ 18-302, Electric Transmission and Generation Options.

The City is currently interconnected to the Florida bulk power supply grid via a single 138 kV transmission line connection at the City-owned Hypoluxo Substation. In the event of a power supply grid or tie-line related outage, the City's Tom G. Smith Power Generation facility is responsible for providing the City's energy demand. Due to the age of power plant equipment and single tie-line power grid connection, the need to evaluate options for a second tie-line was presented and approved by the City Commission on December 13th, 2018.

The City has worked with Power Engineers as well as the Florida Municipal Power Agency over the past seven months to evaluate several options for a second tie-line. The proposed second 138kV transmission tie-line will take place at the existing Hypoluxo Substation and will be extended via underground duct bank along the FDOT/RR corridor on the west side of I-95 and will cross 6th Ave S. to connect to the Main Substation. The Scope of Work entails the development of Issue for Construction (IFC) plans to build the underground 138kV transmission line and install the necessary equipment at the Hypoluxo and Main substations.

The proposed Task Order includes a limitation of liability provision proposed by Power Engineers. The City Attorney is reviewing the provision with Power Engineers and further revisions are recommended. Accordingly, the finalized Task Order will be subject to City Attorney approval.

MOTION:

Move to approve/ disapprove Task Order No. 3 to Power Engineers, Inc. for professional engineering services for the design of the new underground, Hypoluxo to Main Substation, 138kV Tie Line at a cost not to exceed \$551,278 (subject to City Attorney approval).

ATTACHMENT(S):

Fiscal Impact Analysis
Task Order No. 3 – Hypoluxo to Main Substation 138kV Design

FISCAL IMPACT ANALYSIS

I. Five Year Summary of Fiscal Impact:

Fiscal Years	2019	2020	2021	2022	2023
Capital Expenditures	\$551,278	0	0	0	
Operating Expenditures	0	0	0	0	0
External Revenues	0	0	0	0	0
Program Income	0	0	0	0	0
In-kind Match	0	0	0	0	0
Net Fiscal Impact	\$551,278	0	0	0	0
No. of Addn'l Full-Time					
Employee Positions	0	0	0	0	0

J. Recommended Sources of Funds/Summary of Fiscal Impact: Recommended source of funds for FY2019 has been identified in account No. 401-6034-531.63-15

Account Number	Account Description	Project Number	FY2019 Budget	Current Balance	Agenda Expenditure	Balance
401-60345316315	Improve/Other than Building/infrastructure	SH1801	\$9,743,326	\$1,051,022	\$551,278	\$499,724

Department Fiscal Review: Edward Liberty, Electric Utility Director
Corinne Elliott, Assistant Finance Director

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AGENDA DATE: July 30, 2019 – Electric Utility Meeting

EXECUTIVE BRIEF

TITLE:Resolution No. 36-2019 – Revising Utility Deposit Requirements and Refunds

SUMMARY:

This Resolution revises City Resolution No. 70-2013 to authorize the retention of residential utility deposits until the account is paid in full and closed.

BACKGROUND AND JUSTIFICATION:

In 2013, the City Commission adopted Resolution 70-2013 which addressed utility deposit requirements and refunds. For residential deposits, Resolution 70-2013 established a refund policy for residential utility deposits. The residential deposit would be refunded if after twenty-five (25) months of continuous service provided, the customer had a satisfactory payment record; the customer did not, in the previous twelve (12) months, make more than one (1) late payment of a bill; did not have a check returned for non-payment of a utility bill; did not engaged in any Illegal use; did not leave an unpaid balance from a previous account; and, did not have any other indebtedness to the City. Further, Resolution 70-2013 authorized the City review accounts and adjust the deposit balance if there was a disconnect for non-payment; a dishonored check; four (4) delinquent payments within a 12-month period; balance due on a prior final bill; evidence of illegal use; or, any other evidence to suggest a higher rate of delinquency.

The City has followed Resolution 70-2013 and refunded residential deposits accordingly. However, the City has not strictly enforced the deposit adjustment process for residential accounts due to the manual nature of the process (i.e., costly to properly enforce). The City has lost revenue for accounts that are closed with a delinquent amount owed to the City. The Electric Utility has discovered that a significant portion of this lost revenue is due to residential accounts where the deposit had been refunded. In order to eliminate or reduce this loss in revenue, the Electric Utility has considered the following:

1. Require all utilities accounts to be in the property owner's name (ensuring a lien on the property for delinquent utility accounts).
2. Increase the required deposit amount.
3. Revise Resolution 70-2013 to retain residential deposits until the account is paid in full and closed.
4. Increase enforcement of the deposit adjustment provision in Resolution 70-2013.
5. Process and procedures of other utilities for deposits.

After reviewing the above, the Electric Utility recommends revising Resolution 70-2013 to retain residential deposits until the account is paid in full and closed and increase enforcement of the deposit adjustment provision in Resolution 70-2013. Retaining the residential deposits until the account is paid in full and closed will significantly reduce the loss in revenue associated with delinquent accounts. It should also limit the amount of deposit adjustment that would be required in the event that customers' accounts experienced one of the above mentioned triggering events.

If this Resolution is approved, the City will begin retaining all residential deposits on a go-forward basis. The City will also review residential accounts to determine if an adjustment needs to be made based upon the factors set forth in Resolution 70-2013. As established recently by the City Manager, the City will allow for up to six (6) months for a customer to pay a deposit adjustment amount depending on the amount of the adjustment and any hardship in making such a payment.

MOTION:

I move to approve / not approve Resolution No. 36-2019 – revising Utility Deposit Requirements and Refunds.

ATTACHMENT(S):

Fiscal Analysis – Not Applicable
Resolution No. 36-2019

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