

**Attached is Additional Information for  
Agenda Item #15**

**Acceptance of a Status Report on the City of  
Tallahassee's Citizen Advisory Committee (Utility Board)**

**Meeting of Tuesday, November 9, 2010**

**This document distributed November 5, 2010**



RECEIVED NOV 5 2010



November 2, 2010

Mr. Parwez Alam, County Administrator  
Leon County Courthouse  
301 S. Monroe Street  
Tallahassee, FL 32301

Re: City of Tallahassee Citizen Advisory Committee for Utilities

Dear P.A.:

Thank you for taking the time to contact the City Manager to request information about the City of Tallahassee Citizens Advisory Committee for Utilities (CAC).

The City Manager established a ten member Citizen Advisory Committee for Utilities in 1997 with a cross-section of area individuals with diverse backgrounds to represent the views and values of our community. Today, the committee consists of 14 members to provide input on current and new programs as well as evolving issues for all utility services. The following is a list of committee members.

**Committee Members**

Stephen Beasley	Curtis Hunter	Johanna Money
Dominic Calabro	Justin Hunkins	Carol "Sunny" Phillips
Bill Crona	Frank Jameson	Jason Stamm
Dr. James Croteau	Altha Flowers Manning	Ted Thomas
Benjamin Crump	Miaisha Mitchell	

The committee meets each month during lunch to accommodate the busy schedules of the members. The next meeting for members is scheduled for Tuesday, November 9, 2010 from noon to 1:30 p.m.

Please find enclosed the Citizen Advisory Committee for Utilities meeting agendas, minutes and presentation materials beginning with April 2010 to October 2010 for your review and use at the Leon County Commission Board meeting in November.

Sincerely,

A handwritten signature in black ink, appearing to read "Ricardo Fernandez".

Ricardo Fernandez  
Assistant City Manager  
Utility Services

Enclosure

cc without attachments: Anita Favors Thompson, City Manager  
Citizen Advisory Committee Members  
Vincent S. Long, Deputy County Administrator  
Shington Lamy, Special Projects Coordinator



**City of Tallahassee**  
**Your Own Utilities™**



## **CITIZENS ADVISORY COMMITTEE**

**APRIL 15, 2010**

CITIZENS ADVISORY COMMITTEE

THURSDAY APRIL 15, 2010

11:30AM TO 12:30PM

CITY HALL, ROOM 4F

Committee Members

Stephen Beasley	Dominic Calabro
Dr. Matthew Carter	Bill Crona
Ben Crump	Frank Jameson
Altha Manning	Karen Moore
Sunny Phillips	Ted Thomas

- I. Welcome Members
  - a. City Manager Anita Favors Thompson
  
- II. Overview of Utility Systems
  - a. Ricardo Fernandez
  
- III. Discussion of Current Topics
  - a. Demand Side Management
  - b. Smart Grid
  - c. Advanced Wastewater Treatment
  - d. Rates
  - e. Operating Reserves
  
- IV. Member Discussion
  
- V. Schedule Future Meetings
  
- VI. Adjournment





## UTILITY CITIZEN ADVISORY COMMITTEE

April 15, 2010

11:30 p.m. – 12:30 p.m.

City Hall Conference Room 4F

### Meeting Summary

**Attendees:** Committee Members: Stephen Beasley, Dr. Matthew Carter, Ben Crump, Sunny Phillips and Ted Thomas; City Representatives: City Manager Anita Favors Thompson, Assistant City Manager Rick Fernandez, Reese Goad, Kevin Wailes, David Byrne, Mike Tadros, Cynthia Barber, Sandra Manning and Lorin Pratt; and Council of Neighborhood Associations President Stephen Hogge.

#### **Welcome and Overview: City Manager Anita Favors Thompson**

The City Manager provided introductions and began the meeting with a brief overview of City Utility goals, particularly the new Energy Smart Plus e+ initiative. A wide variety of programs and services have been implemented to promote energy efficiency, reduce peak electric demand and help customers reduce their monthly utility bills. She noted that the Utility Citizen Advisory Committee serves a vital purpose in assisting with communication efforts, providing feedback and determining key issues to address on a priority basis. One topic will be the potential impact of high utility bills on seniors, unemployed or underemployed residents and other customers with limited incomes. Future meetings will address specific issues more in depth.

Ben Crump indicated that the City has been doing a great job in offering a wide variety of programs but that high utility bills remain a key issue. He suggested that staff take proactive measures to inform customers of cost-saving opportunities. He recommended that staff intensify media campaigns, increase advertising and to rely more heavily on local churches and religious leaders to disseminate information. Dr. Carter concurred, noting the hardship on low-income residents and the much-needed support they receive through churches and governmental assistance. The City Manager agreed that effective communication efforts are crucial and noted that, historically, the challenge has been to encourage residents to take advantage of the many financial incentives and grants offered by the City. Ms. Phillips suggested utilizing the Council of Neighborhood Associations' database and newsletter for targeted campaigns, which could include flyers, ads and informational articles.

#### **Overview of Utility Systems: Assistant City Manager Rick Fernandez**

The City of Tallahassee's Electric Utility serves more than 100,000 homes and businesses with electric power. The system has three electric generating stations: C.H. Corn (hydroelectric), Arvah B. Hopkins and Sam O. Purdom. And three wastewater treatment facilities: Lake Bradford Wastewater Treatment Plant, the T.P. Smith Water Reclamation Facility and the Southeast Farm. In addition, City Utilities provide gas and stormwater services, while balancing a wide variety of divergent operational requirements and customer needs. Customer service has always been the top priority, and this committee will offer a new perspective in helping the City improve operations and meet the varied needs of a growing population.



## **Discussion of Current Topics:**

### **Demand-Side Management – Energy Services Director David Byrne**

Brought before the City Commission in February, 2008, the Demand Side Management (DSM) plan is an integral part of the City's Energy Smart Plus (e+) program. It has been determined to be a cost-effective method for increasing energy efficiency and meeting future energy needs with fewer environmental impacts than other power generating alternatives. DSM focuses on providing programs and incentives designed to reduce peak energy consumption through energy efficiency programs, pricing incentives and other residential and commercial customer-based tools. As a resource to the City, DSM defers or eliminates the need to construct new power plants, reduces operational costs, helps stabilize rates and reduces the pressure of market volatility. Upon successful implementation, it will help boost the local economy, lower customers' utility bills, provide local job opportunities and reduce natural gas expenditures outside of the City's service area.

### **Smart Grid Update – Utility Business and Customer Services Director Reese Goad**

The City's new Smart Grid consists of advanced technology and an underlying network of electric, water and gas infrastructure. The three phases of system development include: 1) infrastructure of which the electric and water meter change out is nearly complete, 2) Software and web applications, and 3) New programs and pricing plans designed to offer customers greater choices for managing their household energy consumption, using resources wisely and saving money on their utility bills. The system is central to the City's e+ programs by providing customers with two-way communication and the ability to utilize interactive tools such as Smart Thermostats and In-Home Energy Monitors. New products will be forthcoming and will be introduced to customers over the next year and beyond.

### **Advanced Wastewater Treatment (AWT) Update – Underground Utilities Director Mike Tadros**

Guided by the Florida Department of Environmental Protection and in an effort to protect local water resources, such as Wakulla Springs, the City has begun the process of upgrading its treated effluent to Advanced Wastewater standards. The goal is to reduce nitrogen, which fuels plant growth and surface water degradation, to 3 ppm by 2014 based on a DEP permit schedule. Multiple nitrogen-reduction measures have been applied to achieve reductions above and beyond those set by DEP permit requirements. Construction began in August 2009, with best available technology and new equipment. Costs are expected to be \$200 million and will be funded by bonds. Costs associated with the increased debt service have already been scheduled in the sewer rate schedules. As the work progresses, the City continue to meet with stakeholders, community groups and regulatory agencies to make necessary schedule modifications and ensure project success.

### **Rates Update - Utility Business and Customer Services Director Reese Goad**

Currently, the City's electric rates are just below the state average, they have increased historically and have been subject to the volatility of natural gas prices in the past. The City is working to address rate volatility through financial instruments, operations and decreased peak demand. With regard to other utility services, the City's water rates are among the lowest in Florida, natural gas rates are generally average statewide, and AWT and related factors have placed upward pressure on sewer rates.

### **Operating Reserves: Electric Utility Director Kevin Wailes**

The Electric Utility Operating Reserve Fund provides the City with a wide range of capital advantages, such as liquidity, margin funding for financial hedging and rate stabilization. Despite serious economic conditions affecting municipal governments nationwide, the City has maintained or enhanced its energy system bond ratings in part due to the operating reserve fund. Recently, the nation's three major bond-rating services reaffirmed the City's sound



financial stewardship referencing strong reserves and unrestricted liquidity as strengths in the energy system bond ratings. Of the three major rating services, Fitch maintained its AA- rating and Moody's maintained its Aa3 rating of City of Tallahassee energy system bonds. In addition, Standard & Poor's raised its rating of the energy system bonds from AA- to AA, citing the City's "good management practices, support from the City Commission and sustained strong financial metrics."

**Committee Discussion:**

- Identify ways to get free energy audits for low-income citizens (Crump/Carter)
- At future meetings, provide Committee members with total energy audits broken down by demographics, such as income class, neighborhood and other relevant categories. (City Manager)
- Investigate commercial DSM incentives (Thomas)
- Survey to determine their desire to underground electric facilities at a cost. (Thomas)
- Committee members encouraged to listen for e+ ads on radio and provide feedback (City Manager)
- Focus on renewable energy, new technologies for Smart Grid (Carter)

**Communication Strategies:**

- Utilize church leaders as well as Council of Neighborhood Association's database in communication efforts (Crump/Phillips)
- Keep message concise and simple (Carter)
- Focus on low-income residents, renters, etc. (Hogge)
- Increase school-based education, including PTA meetings, school functions, etc. (Crump)
- Continue partnerships with Tallahassee Housing Authority and other local agencies

**Adjourn 1:15 p.m.**

**Future Meetings:**

Second or third Thursday of each month – To be determined

11:30 a.m. to 1 p.m.

City Hall Conference Room 4F



**City of Tallahassee**  
Your Own Utilities™



## **CITIZENS ADVISORY COMMITTEE**

**MAY 20, 2010**

CITIZENS ADVISORY COMMITTEE  
THURSDAY MAY 20, 2010  
NOON TO 1:30 P.M.  
GEMINI BUILDING, 2<sup>ND</sup> FL CONFERENCE ROOM

Committee Members

Stephen Beasley	Dominic Calabro
Dr. Matthew Carter	Bill Crona
Ben Crump	Frank Jameson
Altha Manning	Karen Moore
Sunny Phillips	Ted Thomas

NOON

- I. Introduction  
City Manager Anita Favors Thompson

12:10 – 12:15 P.M.

- II. Approval of Minutes from the April 15, 2010 Meeting

12:15 – 12:35 P.M.

- III. Tour of Utility Customer Services Call Center  
James Barnes

12:35 – 1:05 P.M.

- IV. Incentive Rebates for Demand Side Management (DSM)  
Reese Goad

1:05 – 1:30 P.M.

- V. Members Discussion

- VI. Schedule Future Meetings

Adjournment

Next scheduled meeting: Thursday, June 10<sup>th</sup>





## UTILITY CITIZEN ADVISORY COMMITTEE

May 20, 2010

12:00 - 1:30 p.m.

Gemini 2nd Floor Conference Room

### Meeting Summary

**Attendees:** Committee Members: Stephen Beasley, Frank Jameson, Altha Flowers Manning and Sunny Phillips; City Representatives: City Manager Anita Favors Thompson, Assistant City Manager Rick Fernandez, Reese Goad, Kevin Wailes, David Byrne, Mike Tadros, Sam McCall, Jim English, James Barnes, Sandra Manning and Lorin Pratt.

#### **Welcome and Overview: City Manager Anita Favors Thompson**

The City Manager began the meeting with introductions and a brief discussion of the City's Energy Smart Plus e+ initiative, designed to save the City and its customers energy, water and money. Innovative programs have been implemented to promote energy efficiency, reduce peak electric demand and help customers reduce their monthly utility bills. After noting that the Utility Citizen Advisory Committee plays a key role in providing feedback for these efforts, she introduced Reese Goad to discuss the rebate incentive program.

#### **Energy Star and Natural Gas Rebates – Utility Business and Customer Services Director Reese Goad**

In 2008, the City adopted the Demand Side Management Plan (DSM) as part of the City's Energy Smart PLUS (e+) program. This included a robust set of rebates to encourage residential and commercial energy efficiency. The goal is to reduce energy consumption and peak demand for power by 59 megawatts (MW) or 10% within a five-year period. DSM focuses on providing programs and incentives designed to reduce peak energy consumption through energy efficiency programs, pricing incentives and other residential and commercial customer-based tools. This has been determined to be a cost-effective method for increasing energy efficiency and meeting future energy needs with fewer environmental impacts. It also defers or eliminates the need to construct new power plants, reduces operational costs, helps stabilize rates and reduces the pressure of market volatility.

A major component of the City's DSM implementation is the provision of economic incentives to utility customers to purchase and install higher efficiency electric appliances, and to utilize natural gas appliances – both of which reduce the need for costly new power plant construction. In the first six months of the current fiscal year, the City provided more than 2,300 rebates for efficient electric appliances, and more than 1,600 rebates for natural gas appliances. Through these incentives, a total of about \$1.17 million has been returned to City of Tallahassee Utility customers.

Recently, the State of Florida launched a \$17.5 million Energy Star appliance rebate program. Customer response was overwhelming, as all of the funds were reserved within the first 36 hours of the program. City staff estimated that the program would serve approximately 3,000 customers and inject \$3 to \$5 million into the local economy, resulting in a reduction of 25 to 30 million kWh, over 100 million gallons of water, and 14,000 tons of CO<sub>2</sub> over the life of the new appliances. This success is also consistent with City of Tallahassee survey results, which show that City of Tallahassee utility customers are extremely receptive to rebate incentives. Results of a recent survey show that 95% agree that it is important for the



City to help residents conserve energy, and 90% agree that it is important that the City offer rebates to those who purchase energy efficient appliances.

Recognizing the value that energy efficiency incentives can have for the local economy, the Commission is exploring a proposal to temporarily *double* the energy efficient and natural gas appliance rebates. Rebates will not only increase customers' energy-efficiency, but also will create jobs and support our local economy at a critical time. It is also expected that by increasing the rebate incentives for purchasing and installing energy-efficient appliances and clean natural gas appliances, program participation will increase significantly. This will accelerate the replacement of older less-efficient appliances and provide local economic stimulus by increasing the number of purchases at local dealers, and increasing work and jobs in the local electrical, mechanical, and plumbing trades. The stimulus would benefit our community, since rebates will be limited to purchases made at local retailers within Leon County.

The proposal to double the rebate program will be discussed at the May 26 City Commission meeting. Funding is being requested through a \$750,000 appropriation from Electric Operating reserves, and will not be recurring. The program will begin in May and continue through the end of September or until funds are expended.

#### **Committee Discussion:**

- Timing is critical in terms of how seasonal weather changes affect utility bills and customers' discretionary income. Since we are in a lower bill cycle in the spring, residents may have greater resources to utilize the rebates to make purchases. What other factors should the City consider? (City Manager)
- Many customers may not realize they are in a low-bill cycle so it is important for the City to publicize this information. (A. Manning)
- Environmental message is important to many residents and could be stressed to increase participation. (A. Manning/Jameson)
- Tallahassee has a very educated population that is concerned about the environment. This message may resonate more than one related to shifting the peak hours of demand. (Phillips)
- The goal is to lower peak demand, move the need for energy to a time when there is excess capacity, and remain revenue neutral. (Assistant City Manager)
- It's also critical to note the program is time-limited and subject to availability of funds. (A. Manning)
- The City has an outstanding reputation for customer service, as experienced first hand with a solid waste collection issue on Par Lane, near Hilaman. City response to garbage can rollback requirement has resulted in neighborhood beautification and stabilization or enhancement of property values. (Phillips)

#### **Communication Strategies for Rebates:**

- Important to consider what type of audience the City is targeting and publicize the program to a broad group. (Phillips)
- Utilize Council of Neighborhood Association's database, word-of-mouth, churches, state employees, Myflorida.com website and other large groups in communication efforts. (Phillips)
- Promote the program to low-income residents, who may feel they would not "qualify." (Beasley)



- Take advantage of partnerships with Tallahassee Housing Authority and other local agencies. (Beasley)

**Utility Customer Service/Call Center Tour – Utility Customer Service Administrator James Barnes**  
James Barnes provided an informative tour of the City’s Call Center, where more than 25 customer service representatives handle approximately 35,000 to 40,000 calls per month, 24 hours a day, seven days a week. He noted that calls and customer service matters are also handled through the Renaissance Customer Service center, e-mail, and web-based applications via Talgov.com. Highlights of the tour included explanations of the High Path Pro Center, a sophisticated electronic display and routing system that offers real-time monitors to track weather, call activity, response time, important news and other information.

Typically the first point of contact with customers and the primary response team during emergencies, Utility Customer Services plays a critical role in the organization. The division is responsible for accurately and efficiently processing a wide range of service requests, including utility connections, disconnections, transfers, and work orders for field staff. It also schedules audits, provides energy- and water-saving information, manages energy and water loan activities, administers collection activities and resolves customer service issues.

**Action Items, per City Manager**

- Poll Committee members and establish a meeting time conducive to the schedules of most members.
- Extend the opportunity to join the Committee to at least four others to ensure adequate turnout.
- Provide information packages to members who could not attend this meeting and forward the rebate agenda item to all members.

**Adjourn 1:30 p.m.**

**Future Meetings:** To be determined after polling Committee members

June 3, 2010



VIA ELECTRONIC DELIVERY

- Mr. Jim Croteau
- Mr. Justin Hunkins
- Mr. Curtis Hunter
- Ms. Miaisha Mitchell
- Ms. Johanna W. Money
- Mr. Jason Stamm

Dear Citizen Advisory Committee for Electric & Underground Utilities:

It is my pleasure to welcome you to the City of Tallahassee Citizens Advisory Committee (CAC) for Electric and Underground Utilities. Thank you for agreeing to be a part of this important committee. The City of Tallahassee is committed to providing excellent customer service and enriching the quality of life in the Tallahassee community. Customer participation and feedback is an important part of shaping the services we provide, and the CAC plays a vital role in this process.

The City began offering electric service to downtown merchants more than 100 years ago, in 1903, and now operates the 25<sup>th</sup> largest municipal electric utility in the United States. Today the City provides electric, natural gas, water, sewer and solid waste services to approximately 230,000 customers in and around Tallahassee. An overview of services is attached.

I originally established the ten-member CAC in 1997 with a cross-section of area individuals with diverse backgrounds to represent the views and values of our community. Today more than ever it is necessary to carefully consider our energy and water future, and we desire high level involvement of a citizens group to help with these issues. The committee is also being expanded from 10 to 15 members to provide the views of more customers. As a member, you will provide input on current and new programs as well as evolving issues for all utility services. The following is a list of committee members.

Committee Members

- |                 |                |                       |                        |
|-----------------|----------------|-----------------------|------------------------|
| Stephen Beasley | Jim Croteau    | Frank Jameson         | Carol "Sunny" Phillips |
| Dominic Calabro | Benjamin Crump | Altha Flowers Manning | Jason Stamm            |
| Matthew Carter  | Justin Hunkins | Miaisha Mitchell      | Ted Thomas             |
| Bill Crona      | Curtis Hunter  | Johanna W. Money      |                        |

For your review, I have attached the minutes of the April 15, 2010 meeting. The committee meets each month during lunch to accommodate the busy schedules of the members. A special orientation meeting for new members is scheduled for **Thursday, June 10, 2010, from noon to 1:30 p.m.**, and lunch will be provided. The meeting location and parking instructions will be e-mailed prior to the meeting. Again, I am very pleased to welcome you to the committee and thank you for your participation.

Sincerely,

*Anita Favors Thompson*  
Anita Favors Thompson  
City Manager

cc: Ricardo Fernandez, Utility Services  
Current Citizen Advisory Committee Members

- |  |                                   |                                   |                                      |                               |                                |
|--|-----------------------------------|-----------------------------------|--------------------------------------|-------------------------------|--------------------------------|
| CITY HALL<br>300 South Adams Street<br>Tallahassee, FL 32301-1731<br>850-891-0000<br>TDD: 711 • Talgov.com | JOHN R. MARKS, III<br>Mayor       | ANDREW GILLUM<br>Commissioner     | DEBBIE LIGHTSEY<br>Commissioner      | MARK MUSTIAN<br>Commissioner  | GIL D. ZIEGLER<br>Commissioner |
|  | ANITA F. THOMPSON<br>City Manager | JAMES R. ENGLISH<br>City Attorney | GARY HERNDON<br>City Treasurer-Clerk | SAM M. McCALL<br>City Auditor |                                |



## **CITIZENS ADVISORY COMMITTEE**

**JUNE 10, 2010**



CITIZENS ADVISORY COMMITTEE  
THURSDAY, JUNE 10, 2010  
12:00 P.M. TO 1:30 P.M.  
CITY HALL, ROOM 4F

NOON

- I. Welcome New Members
  - a. City Manager Anita Favors Thompson

12:15 – 1:00 P.M.

- II. Overview of Utility Systems
  - a. Ricardo Fernandez, Kevin Wailes, Mike Tadros, David Byrne, Reese Goad, and Reginald Ofuani

1:00 – 1:30 P.M.

- III. Members Discussion

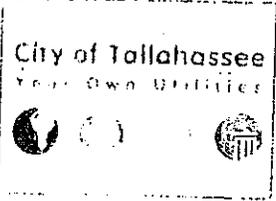
- IV. Adjournment

**CITIZENS ADVISORY COMMITTEE  
THURSDAY, JUNE 10, 2010  
12:00 P.M. TO 1:30 P.M.  
CITY HALL, 4th Floor, Conference Room 4F**

**Orientation meeting for new committee members.**

**There are no minutes for this meeting.  
The presentation notes are attached.**




  
**City of Tallahassee**  
 Your Own Utilities

**Utility Services**




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**Utility Services**

**Mission Statement**

Dedicated to protecting and enriching the quality of life in the Tallahassee community. Committed to providing reliable utility services, environmental leadership, and customer service excellence.




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**Utility Services**

Assistant City Manager, Rick Fernandez  
 Number of Departments: 7  
 Operating Budget: \$525 Million  
 Number of Full Time Employees: 953




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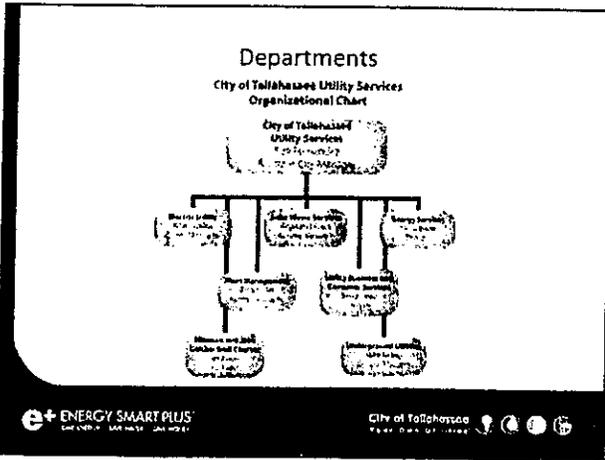
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### Utility Services

- Organized in 1902
- Citizen-Owned Municipal Utility
- Serving 113,000 Residential and Commercial Customers
- Providing service in the Tallahassee incorporated and unincorporated areas.

ENERGY SMART PLUS  
 City of Tallahassee

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### Electric Utility

- 95+ percent Natural Gas Fueled
- Total Generation Capacity 800 Megawatts from three power plants
- 2,900 miles of transmission and distribution lines maintained
  - 185 miles of transmission lines
  - 1,600 miles of underground distribution
  - 1,100 miles of overhead distribution



ENERGY SMART PLUS  
 City of Tallahassee

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## Electric Utility

- 113,000 customers
- One of two hydroelectric plants in Florida
- 221 sq. mile service territory
- One of the lowest carbon footprints for generation in the country
- 25th largest public power utility of more than 2,500 municipal utilities nationwide



 ENERGY SMART PLUS  
THE MORE YOU KNOW THE MORE YOU SAVE

City of Tallahassee  
First Class Government 

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## Underground Utilities

Underground Utilities was created in April of 2008 by combining the gas, water, wastewater, and stormwater utilities.

 ENERGY SMART PLUS  
THE MORE YOU KNOW THE MORE YOU SAVE

City of Tallahassee  
First Class Government 

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## Underground Utilities

### Gas

- Service provided in parts of 3 counties
  - Leon
  - Wakulla
  - Gadsden
- No territorial restrictions
- Cheapest source of energy for our customers
- Wide variety of rebates to encourage use of NG fuel switching
- 26,000 Customers



 ENERGY SMART PLUS  
THE MORE YOU KNOW THE MORE YOU SAVE

City of Tallahassee  
First Class Government 

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## Underground Utilities

### Water

- Celebrating 100 years of service
- Voted best-tasting water in Florida
- 28 water wells pump water from Floridan Aquifer
  - Maximum daily capacity: 74 million gallons
  - Average daily capacity: 30.5 million gallons
- 1,200 miles of water pipes
- 82,000 customers



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## Underground Utilities

### Wastewater

- 17.5 million gallons of wastewater flows to spray-field daily for treatment
- 26 million gallon daily capacity
- \$200+ million Advanced Wastewater Treatment project to protect the environment
  - Reclaimed water project:
    - 2 million gallons a day
- 70,000 customers



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## Underground Utilities

### Stormwater

- Retention ponds designed for pollutant removal, stream bank protection, and flood control
- Protects water quality and wildlife in lakes, rivers, and streams
- 66 named lakes and ponds
- Improvement projects able to reduce flood insurance- given state award- 20% discount for our citizens



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## Energy Services

Energy Services manages the electric and natural gas fuel, energy supply portfolios, and retail energy conservation programs for utility customers.

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## Energy Services

- Energy risk management program hedging-fuel purchasing and power marketing
- 59MW reduction by 2013
- About 10% of peak demand
- Demand Side Management and energy efficiency- customer programs reduce electric utility consumption and demand
- Free energy audits, rebate and loan programs, low-income programs
- Key-account services for the largest customers



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## Utility Business and Customer Services

UBCS is a shared service department providing utility customer services, utility service connections and disconnections, utility billing, credit and collections, rate making, meter reading, marketing and research, parking ticket collections, and cable television regulations.

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## Utility Business and Customer Services

- Billed revenues: \$500 Million
- Number of bills annually: 1.3 million
- Number of calls annually: 500,000
- Number of total meters: 225,000



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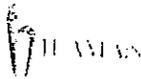
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## Golf Course Program



- Operated by the City since 1982
- 27 holes open to the public
- 18 holes – Hilaman Golf Course
- 9 holes- Jack Gaither Golf Course
- More than 50,000 rounds of play each year
- Managed by Utility Services since April 2009

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## Solid Waste Services

Solid Waste services collects all commercial and residential waste within City limits.

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## Solid Waste Services

- Backdoor service was provided for more than 20+ years to all residents, which changed in May 2007
- Recycling provided for all customers at no charge
- Helping Hands program
- Cash for Trash



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## Fleet Management

Provides quality and competitive equipment, transportation, maintenance, materials, and supplies to customers in a timely, economic, environmentally friendly, and efficient manner, while maintaining a safe and wholesome work environment and opportunity for all employees.

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## Fleet Management

- Acquisition, disposal, maintenance, repair and fuel services for all the City's fleet, except StarMetro
- Bio-diesel program
- Certified Green Shop
- Vehicle wraps & decals



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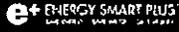
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Utility Services  
Vision for the Future

Utility Services is exploring alternative methods of producing more efficient, and economical services to maintain high standards of environmental stewardship. Most importantly, Utility Services will work to ensure its customers and community will receive the greatest possible benefits from their utilities.



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**City of Tallahassee**  
Your Own Utilities™



## **CITIZENS ADVISORY COMMITTEE**

**JULY 9, 2010**



CITIZENS ADVISORY COMMITTEE  
THURSDAY JULY 8, 2010  
12:00PM TO 1:30PM  
ELECTRIC CONTROL CENTER – 400 EAST VAN BUREN STREET

Committee Members

Stephen Beasley	Ben Crump	Miaisha Mitchell
Dominic Calabro	Curtis B. Hunter	Johanna W. Money
Dr. Matthew Carter	Justin Hunkins	Sunny Phillips
Bill Crona	Frank Jameson	Jason Stamm
Dr. James Croteau	Altha Manning	Ted Thomas

12:00Noon – 12:15PM

- I. Facility Tour – Tony Guillen and Rob McGarrah

12:20PM TO 12:25PM

- II. Approval of Minutes from the May 20, 2010 Meeting

12:25PM TO 1:00PM

- III. Power Supply Planning and Demand Side Management –  
Process and Status – ROB McGarrah and David Byrne

1:00PM to 1:10PM

- IV. Public Records and Government in the Sunshine State  
HETAL DESAI

1:10PM TO 1:30PM

- V. Members Discussion and Status Reports  
a. Double Rebate – David Byrne  
b. Smart Monitor Pilot (Google/GE)– Reese Goad

- VI. Schedule Future Meetings

Adjournment







## UTILITY CITIZEN ADVISORY COMMITTEE

July 8, 2010

12:00 – 2:00

Electric Dispatch Center  
400 E. Van Buren St.

### DRAFT

### Meeting Summary

**Attendees:** Stephen Beasley, Ben Crump, Miaisha Mitchell, Curtis Hunter, Johanna Money, Dr. Matthew Carter, Justin Hunkins, Sunny Phillips, Bill Crona, Frank Jameson, Jason Stamm, Dr. James Croteau, Altha Flowers Manning, Ted Thomas. **City Representatives:** City Manager Anita Favors Thompson, Assistant City Manager Rick Fernandez, Reese Goad, David Byrne, Sam McCall, Mike Tadros, Hetal Desai, Rob McGarrah, Tony Guillen, Alan Gale, Brian Horton, Lee Stillwell and Lorin Pratt.

#### **Welcome and Overview: City Manager Anita Favors Thompson**

The City Manager welcomed the Committee and began the meeting with introductions, specifically acknowledging the most recent members: Miaisha Mitchell, Justin Hunkins, Johanna Money and Jason Stamm. Approval of the May 20 Minutes followed. Ms. Thompson noted that the group had an aggressive agenda to accommodate a guided tour of the City's Electric Dispatch Center and that a tour of the Arvah R. Hopkins Electric Generating Plant would take place in the near future. She emphasized that this hands-on knowledge, combined with the opportunity to have question-and-answer periods, is especially helpful in understanding the many facets of delivering reliable and cost-effective utility services to our community. Feedback from the committee is crucial, she added, particularly as the City moves forward in its far-reaching efforts to provide innovative new programs and tools to promote energy efficiency.

**Power Supply Planning and Demand Side Management- Process and Status:** Electric Utility General Manager Rob McGarrah, and Energy Services Director David Byrne.

**Resource Planning and Forecast Models:** Rob McGarrah began with a PowerPoint presentation about the City's electric resource planning reserves and forecasting, which helps to ensure that adequate resources exist to meet fluctuating demand, seasonal peaks and future needs. The Electric Utility maintains a 17% planning reserve, which conforms to Florida Regional Coordination Council guidelines and allows for weather variations, City generator outages and standard margins of error in assumptions. The City's annual Integrated Resource Planning Process (IRP), which takes into account both the demand and supply side of the business, includes a 10-year demand and energy forecast, a review process by the Florida Public Service Commission, the anticipated need for gas-fired power plants and other related considerations. The process serves to identify least-cost energy alternatives, environmental impacts, community needs, transmission constraints and revenue requirements. A lengthy discussion of peak summer load forecasts vs. supply through 2019 followed, as a chart depicted the City's overall electric capacity based on economic, business and population trends as well as high-growth projections and low-growth projections. Rob noted that by employing Demand Side Management measures, such as community-wide energy efficiency strategies, the City has sufficient resources to meet the projected peak demand through 2019. After that time, issues such as the retirement of existing facilities will reduce overall electric capacity by approximately 100 MW. The IRP serves as an integral tool to assess data and meet the expected demand.





**Demand-Side Management:** David Byrne provided a presentation on Demand Side Management, which consists of energy efficiency and peak demand reduction as key components. The Electric Utility recommended inclusion of DSM resources in its 2006 IRP in order to reduce peak energy demand and defer or eliminate the need for costly new power plants. David noted that the DSM goal of a 50 MW peak demand reduction by 2012 is among the most aggressive in the country. It equates to about 146,000 of MWh savings, or about 5% of household use. DSM focuses on reducing peak electric consumption by offering energy efficiency measures, natural gas conversion incentives, variable pricing programs, economic advantages and informational tools to both residential and commercial customers. As part of the City's Energy Smart Plus (e+) program, customers can take advantage of a wide range of options and have greater flexibility and choices in managing their household energy use. By increasing energy efficiency through these DSM measures, the City reduces its costs, creates local jobs and helps meet future energy needs in a cost-effective manner. Equipment purchases from local dealers and the reduced need for natural gas, help fuel our local economy as well. Recognizing the immediate value that energy efficiency incentives can have to our local economy in this difficult economic climate, the Commission has added \$750,000, or *double* the energy efficient and natural gas appliance rebates through Sept. 30, 2010. This stimulus directly benefits our community, as rebates are limited to purchases made at local retailers within Leon County.

David indicated that last year the City provided more than 4,000 rebates for efficient and natural gas appliances, 8,000 energy audits (to 1 out of 12 customers) and 2,900 insulation grants. The combined \$2.5 million in incentives and \$3.8 million in loans translate to an energy savings of 10,900 MWh and a reduction of 1.3 MW of summer peak demand. Through these incentives, more than \$1 million has been returned to City of Tallahassee Utility customers.

**Legal Topics for Background:** City Attorney Hetal Desai

Hetal provided the Committee with an overview of Sunshine Law, public records, financial disclosure and city policy regarding ethics. She noted the importance of keeping personal information from conflicting with Committee business and not having any communication with another Committee member on a matter either before the Committee or that may foreseeably come before the Committee.

**Overview and Tour of the Electric Dispatch Center:** Tony Guillen, Brian Horton and Alan Gale provided a guided tour of the dispatch and operations center. They explained that staff at the center is responsible for the day-to-day operations of the electric system, the switching and dispatching of generating units and same-day electricity purchasing transactions on the wholesale market. Staff also dispatch repair crews during customer outages, receive calls about outages and coordinate crews to restore power.

**Committee Discussion on Resource Planning:**

- o The City should investigate the probability analysis in electric resource planning. Specifically, the potential impact of high growth on the system needs to be addressed more fully. (Frank Jameson)
- o During power supply planning and in assessing net present value, what is the discount rate and inflation rate? (Jason Stamm) The City uses a discount rate based on recommendations from the City Treasurer Clerk and the City's historical cost of capital of about 5%. (Reese Goad)
- o Refurbishing existing power plants is important. (Sunny Phillips)
- o Planning for emergencies, having smart boards for outages and isolating circuits remotely is very important. (James Croteau)

**Committee discussion on Demand Side Management:**

- o Take advantage of partnerships as well as state and local databases, such as those used in the weatherization program. (Sunny Phillips)
- o City's duct system repair program has started and will save customers a significant amount of money in energy costs. The national average for duct leaks is 20%, while older homes have 40-50%. (Rick Fernandez)





- Target large customers and particularly small local businesses that need help during this tough economic climate. (Sunny Phillips)
- Look internally at City facilities for efficiency improvements. (Bill Crona)
- Marketing plays an important role. (Matthew Carter, who noted that he has saved approximately 30% through energy efficiency measures at home).
- Being able to realize 30% savings is significant and it will be important for the customer to see real time data on usage and be able to analyze/change usage through e+ online and other tools. (Justin Hunkins)

**Action Items, per City Manager**

- Take recommendations for nomination of a committee chair.
- Approve proposed meeting schedule.

**Action Items per Committee**

- With respect to prior forecasts, show how the actual peaks compared to what we had forecasted. (Frank Jameson)
- Investigate probability analysis regarding high growth potential and the impact on the system. (Frank Jameson)
- Add to the May 20 Minutes additional information about the discussion on the solid waste ordinance and cart removals in Tallahassee neighborhoods.

**Adjourn 2 p.m.**

**Future Meetings:** A tentative schedule has been proposed as follows: Aug. 12 (canceled due to summer and City Commission break), September 9, October 14, November 9 and December 9.



# Electric Resource Planning

Citizens Advisory Committee

July 8, 2010

## Discussion Topics

- What is resource planning?
- Resource planning process?
- Current status of City's resource planning process?

## What is Resource Planning?

Annual process by which the City's Electric Utility ensures that the City has sufficient resources to meet the demands of our firm territorial customers.



## Background

- Must have adequate resources to meet our firm customer demand
  - Demand – instantaneous need
  - Summer peaking utility
- City currently utilizes a 17% planning reserve margin
- Resources can include:
  - Power plants
  - Firm purchases
  - Conservation/Demand side management



## 17% Planning Reserve

- Allows for:
  - Variations in weather
  - Unit outages
  - Differences between planning assumptions and reality
- FRCC IOU's – 20% planning reserve
- FRCC - 15% planning reserve overall

## Annual Process

### Ten Year Site Plan Process

1. Develop demand and energy forecasts for 10-year period
2. Compare to supply side resources
3. Identifies when additional resources are needed
4. Submitted to FPSC for review annually
  - FPSC reviews for state adequacy

### 2 Potential Outcomes

1. No resources needed during 10-year period
2. Additional resources needed during 10-year period
  - Then move to Integrated Resource Planning (IRP) process
  - Process is started to allow adequate lead-time for resource identification, permitting, construction and commissioning
  - Minor resource needs may not trigger IRP

## Data Included in Forecast Model

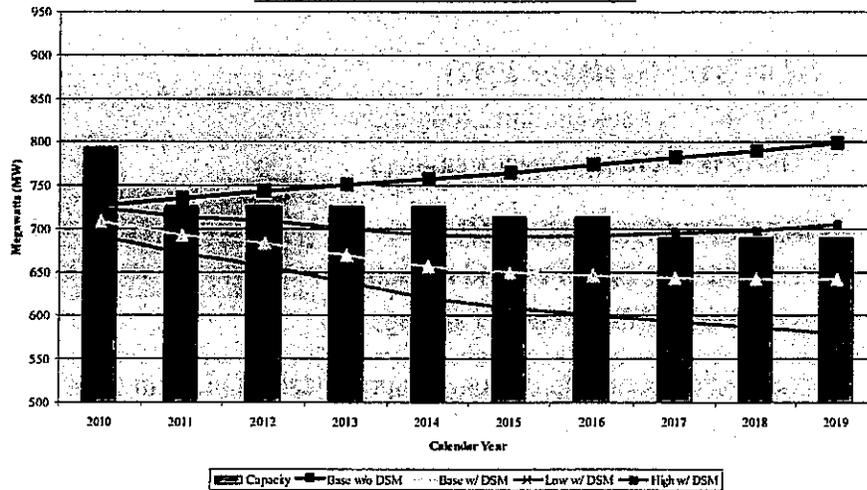
- Leon County population
- Talquin customers transferred
- Cooling degree days
- Heating degree days
- AC saturation rate
- Heating Saturation Rate
- Real Tallahassee taxable sales
- Florida population
- FSU, FAMU, GSLD incremental additions
- Other commercial customers
- Tallahassee Memorial curtailable
- System peak historical data
- Historical customers projections by class
- Historical customer energy by class
- GDP forecast
- CPI forecast
- Florida taxable sales
- Interruptible, Traffic light and security light additions
- Historical residential real price of electricity
- Historical commercial real price of electricity

## IRP Process

- Considers multiple alternatives
- Models both supply and demand side alternatives
- Determines the least cost alternative while meeting all other City objectives
  - Reliability requirements
  - Transmission constraints
  - Environmental
  - Community
- 20-year NPV of revenue requirements

## Banded Summer Peak Load Forecast vs. Supply

2010 TYSP - Includes 17% Reserve Margin



## Demand-Side Management (DSM)

Two main components:

- **Energy Efficiency** - Use less energy overall to provide the same level of service.
- **Peak Demand Reduction** - Reduce customer use at the time of peak demand for the utility system.

DSM is a resource (think of it as a power plant)

- Electric Utility recommended inclusion of DSM resources during their 2006 Integrated Resource Planning (IRP) process.

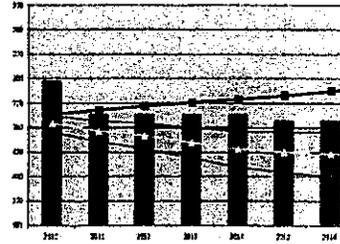
## DSM Goals

### **Near Term Goals (by 2012)**

- 50 MW of peak demand reduction
- 146,000 MWh of energy savings

### **Long Term Goals (by 2026)**

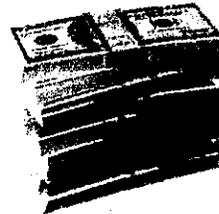
- 167 MW of peak demand reduction
- 561,000 MWh of energy savings



Energy Services Department assigned task of planning and managing implementation of DSM resources.

## DSM Benefits

- Deferral of power plant construction and electric power purchases
- Lower cost than new power plants
- Lower environmental impact
- Customers can lower their bills
- Local job opportunities
- Local economy value



## DSM Strategy: Energy Efficiency

### Energy Smart PLUS (e+) Program

#### Last year

- 8,000 energy audits
- 4,000 appliance rebates
- 2,900 insulation grants
- 600 low-interest loans
- Cost: \$2.5M incentives + \$3.8M loans
- Energy savings: 10,900 MWh
- Demand reduction: 1.3 MW summer peak



## DSM Strategy: Energy Efficiency

### Energy Smart PLUS (e+) Program

#### This year

- Loans increased: projected to be nearly \$6M
- “Double Rebates” on Energy Star and natural gas appliances
- Federal funding to pilot new incentives (e.g. duct leak repair, green building)

#### Future

- Include additional incentives for commercial customers



## DSM Strategy: Demand Reduction

- Demand Reduction is CRITICAL to the goal of avoiding or deferring new power plant construction
- Outsource to contractor to implement an Automated Demand Response (AutoDR) program by 2012
  - Voluntary program for participating customers
  - 15,000 residential Smart Thermostats
  - 100 commercial buildings on AutoDR
  - Demand reduction goal: 35 MW
  - Installed cost: \$440-\$470/kW
  - \$8.9M Federal grant will help offset nearly half

## Summary

- **Resource Planning** ensures that the City has sufficient resources to meet the demands of its customers.
- **DSM** is a component of lowest-cost power supply, but it still costs something – should be less than other options (i.e. an alternative investment to new power plants)

### **Contact Info:**

- Rob McGarrah, Interim General Manager Electric Utility  
891-5534, [rob.mcgarrah@talgov.com](mailto:rob.mcgarrah@talgov.com)
- David Byrne, Energy Services Director  
891-6898, [david.byrne@talgov.com](mailto:david.byrne@talgov.com)

# CITIZEN ADVISORY COMMITTEE FOR ELECTRIC & UNDERGROUND UTILITIES

## I. SUNSHINE LAW

- A. No communication with another member on any matter that is before Committee or which may foreseeably come before the Committee.
  - a. No whispered conversations at the meetings.
  - b. No discussions with other members outside the meetings.  
No Telephone, Email or any form of Electronic Messaging
- B. All Committee meetings are public.
- C. Meetings are noticed; Summary made and approved by Committee.
- D. Penalties (criminal for known violation).
- E. Can sometimes cure with full disclosure of meeting or discussion.

## II. PUBLIC RECORDS

- A. Any written communication related to Committee activities is public record. (Includes e-mails, notes, etc.)
- B. Summary /Minutes/ Tapes are public records.
- C. Your personal notes ARE NOT public record, but may be converted to Public Record if you keep in file with public record items, or share your notes with someone (Also may be able to get through lawsuit even though not public record).

## III. FINANCIAL DISCLOSURE REQUIREMENTS

Not required because you do not have power to regulate, modify or make final decisions

## IV. CLIENT DISCLOSURE REQUIREMENTS

Not required because you do not have power to regulate, modify or make final decisions

## VII. ETHICS

- A. Sec. 112.311-.326, Fla. Stat.
- B. Subject to City's Anti-Harassment Policy
- B. Standards of conduct; employment of relatives, voting conflicts, financial disclosures; gifts (receiving, reporting); honoraria; penalties.
- C. Summary in Guide; also see <http://www.ethics.state.fl.us/>

## VIII. BOARD ATTORNEY

- A. City Attorney serves as counsel to the Board as needed basis.

If any questions, please call Hetal Desai at 891-8554



**City of Tallahassee**  
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## **CITIZENS ADVISORY COMMITTEE**

**AUGUST 12, 2010- CANCELED**





## **CITIZENS ADVISORY COMMITTEE**

**SEPTEMBER 9, 2010**

**CITIZENS ADVISORY COMMITTEE**  
**THURSDAY, SEPTEMBER 9, 2010**  
**12:00 P.M. TO 1:30 P.M.**  
**CITY HALL, 2<sup>ND</sup> FLOOR, TALLAHASSEE ROOM**

Committee Members

Stephen Beasley  
Dominic Calabro  
Bill Crona  
Dr. James Croteau  
Ben Crump

Curtis B. Hunter  
Justin Hunkins  
Frank Jameson  
Altha Manning  
Miaisha Mitchell

Johanna W. Money  
Sunny Phillips  
Jason Stamm  
Ted Thomas

12:00 Noon – 12:10 P.M.

- I. Welcome Members - City Manager Anita Favors Thompson

12:10 P.M. TO 12:15 P.M.

- II. Approval of Minutes from the July Meeting

12:15 P.M. TO 12:25 P.M.

- III. Selection of Committee Chair

12:25 P.M. – 12:35 P.M.

- IV. Meeting Schedule

12:35 P.M. – 12:45 P.M.

- V. SmartBill Challenge

12:45 P.M. – 12:55 P.M.

- VI. Advanced Wastewater Treatment (AWT) Update – Rob McGarrah

12:55 P.M. – 1:10 P.M.

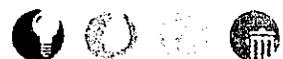
- VII. Comparison of Forecasts to Actual

1:10 P.M. TO 1:30 P.M.

- VIII. Members Discussion and Status Reports

Adjournment

Next meeting: Thursday, October 14, 2010  
12:00 noon – 1:30 p.m., City Hall-Tallahassee Room



# City of Tallahassee AWT Project

Citizen's Advisory Committee  
September 9, 2010

# City's Wastewater Treatment

- Two wastewater treatment plants
  - Thomas P Smith Water Reclamation Facility (TPS)
  - Lake Bradford Road Wastewater Treatment Plant (LBR)
- Two Sprayfields
  - SW Sprayfield – Located at TPS
  - SE Sprayfield – Located on Tram Road
- Currently permitted for 31 million gallons per day (MGD)

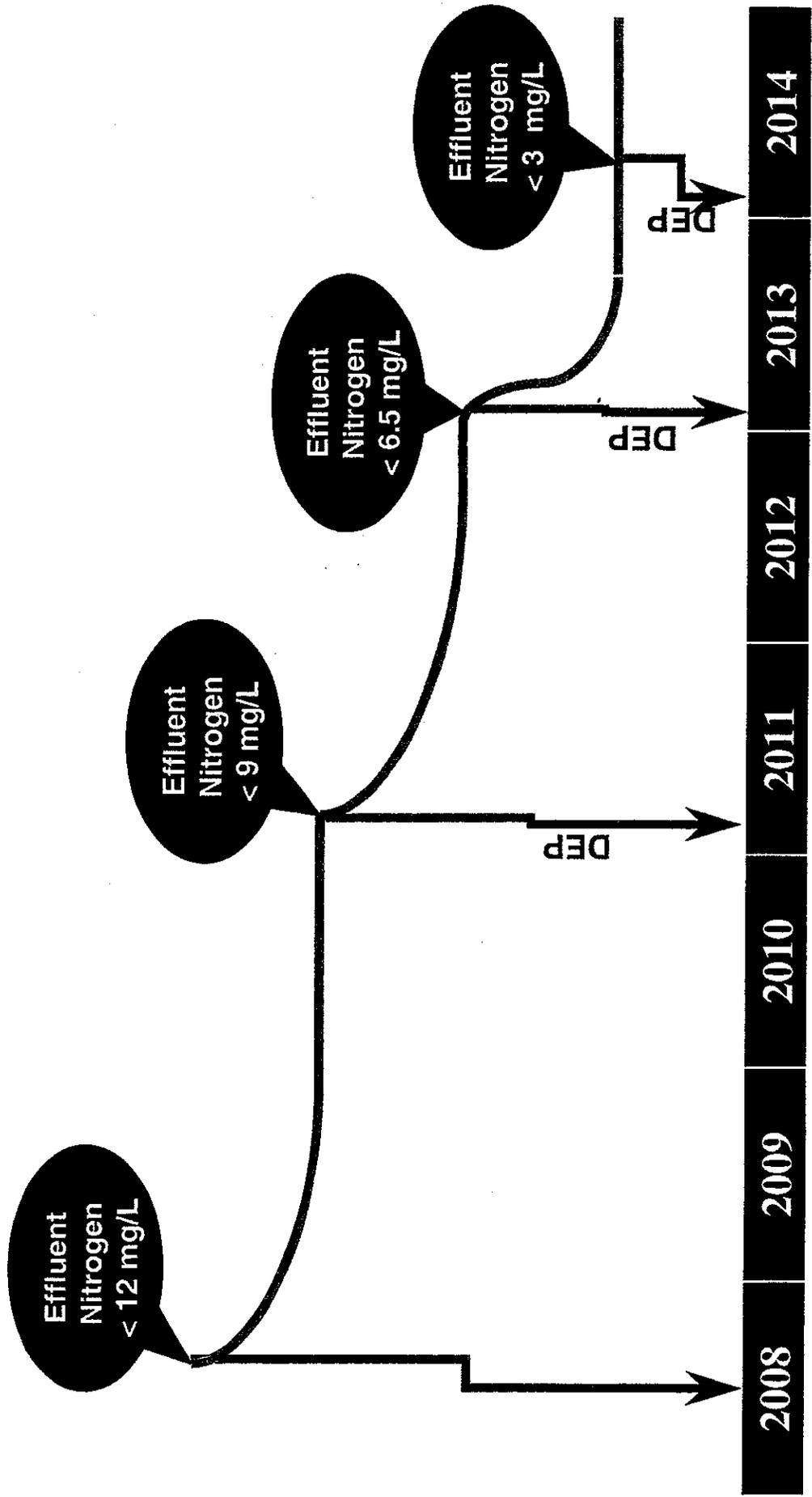
# Treatment Plants

- TPS
  - Originally constructed in 1966
  - Expanded in 1974, 1983 and 1992
  - Treatment Capacity of 26.5 MGD
  - Three treatment trains
- LBR
  - Originally constructed circa 1933
  - Expanded in 1951
  - Treatment Capacity of 4.5 MGD

# What is the AWT Project

- AWT – Advanced Wastewater Treatment
  - State of the art treatment process
  - Reduces total nitrogen (TN) in treated effluent
- Budget - \$227 million
- Construction Period – 2009 through 2015
  - To date have achieved 123% of MBE goal
    - \$3.29M actual vs \$2.68M goal
  - Contracts have included >\$13M in local vendor participation

# Enhanced TN Performance



# Why AWT?

- 2006 Permit revision challenged
  - Concern was adverse impacts on Wakulla Springs
  - Interveners - Wakulla County, Attorney General of Florida, Florida Wildlife Federation, Joe Glisson
- Study confirmed a link between City's Sprayfield and Wakulla Springs
- City entered into settlement agreement with interveners to convert TPS and LBR to AWT
  - FDEP issued revised permits

# Proposed Permit Changes

- Originally permit included both TPS and LBR
  - Currently modifying permit to eliminate LBR
    - Cost savings
    - Capacity not needed until 2025 or beyond
- Minor adjustments to construction milestone dates
  - No change in TN reduction compliance dates
- Waiting on FDEP to issue draft permit modifications
  - Being challenged by one of the interveners

# Project Team

- City's Engineer – Hazen & Sawyer Engineers
- General Contractor – MWH Construction
- Project Management/Construction Oversight
  - City staff
  - Hazen & Sawyer
  - CH2MHill

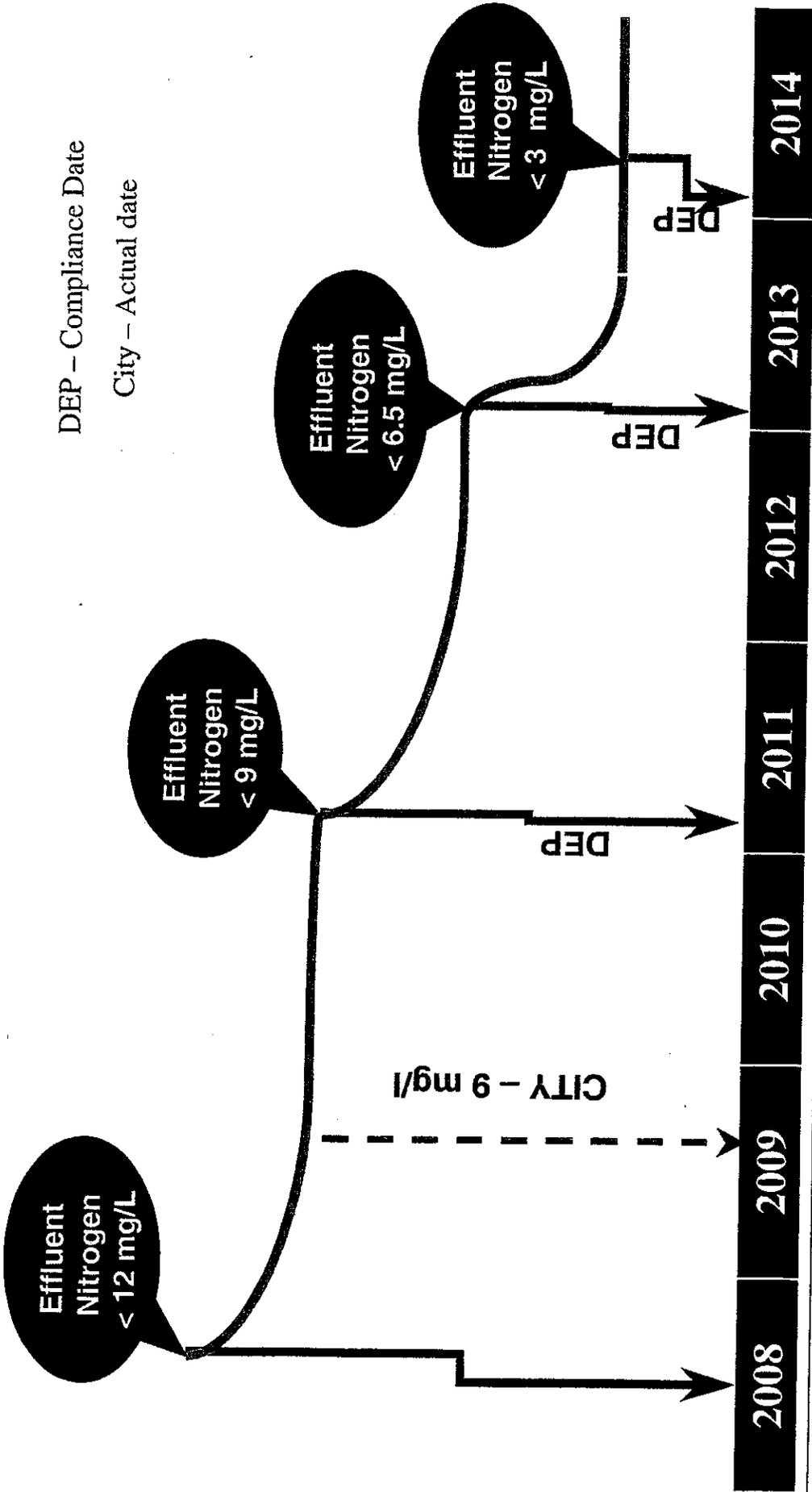
# AWT - Phases

- WP1 – Liquids
- WP2A – Solids (Dewatering)
- WP2B/3A – Solids (Digestion) and Early WP3 work
- WP2C – Solids (Biosolids Dryer)
- WP3 – BNR Conversion

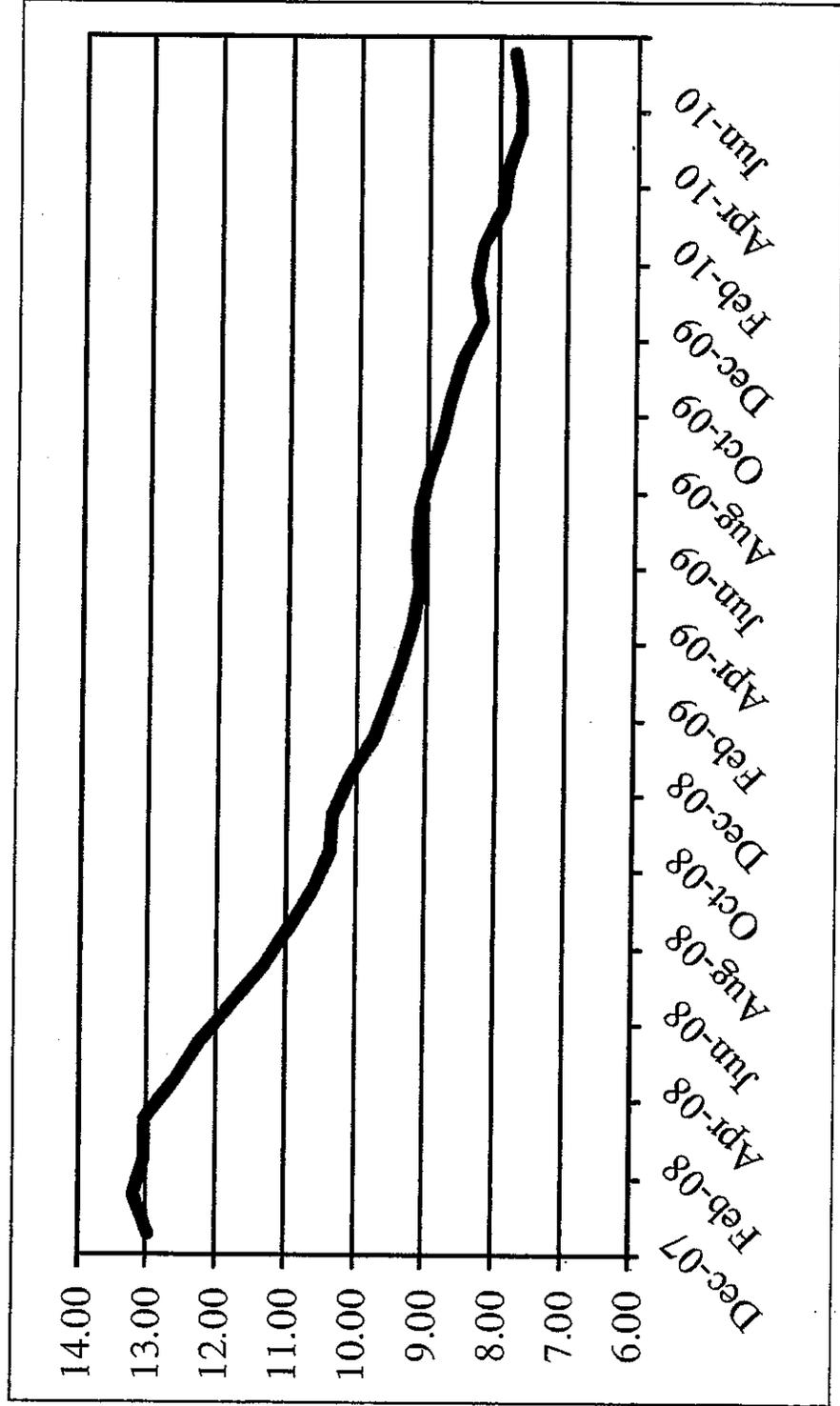
# Current Project Status

WORK PACKAGE	ENGINEERING	CONSTRUCTION
1 - Liquids	100%	In Progress - Summer 2011 completion
2A - Solids	100%	In Progress - Summer 2011 completion
2B/3A - Digester Early WP3	100%	In Progress - End 2011 completion
2C - Dryer	IP - Fall 2010	Commence - Late 2010
3 - BNR Conversion	100%	Commence - Summer 2011

# Enhanced TN Performance

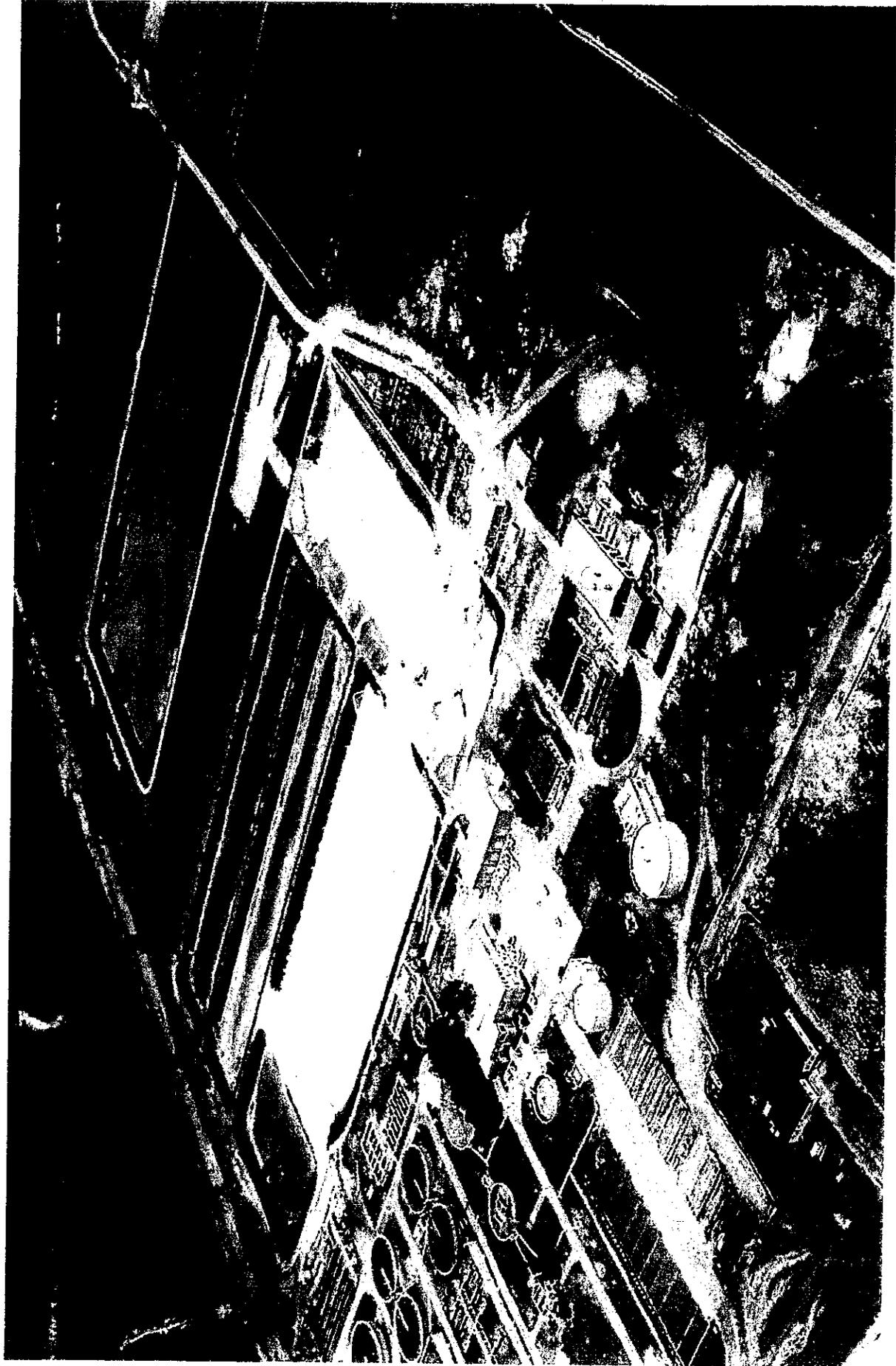


# Annual Average TN



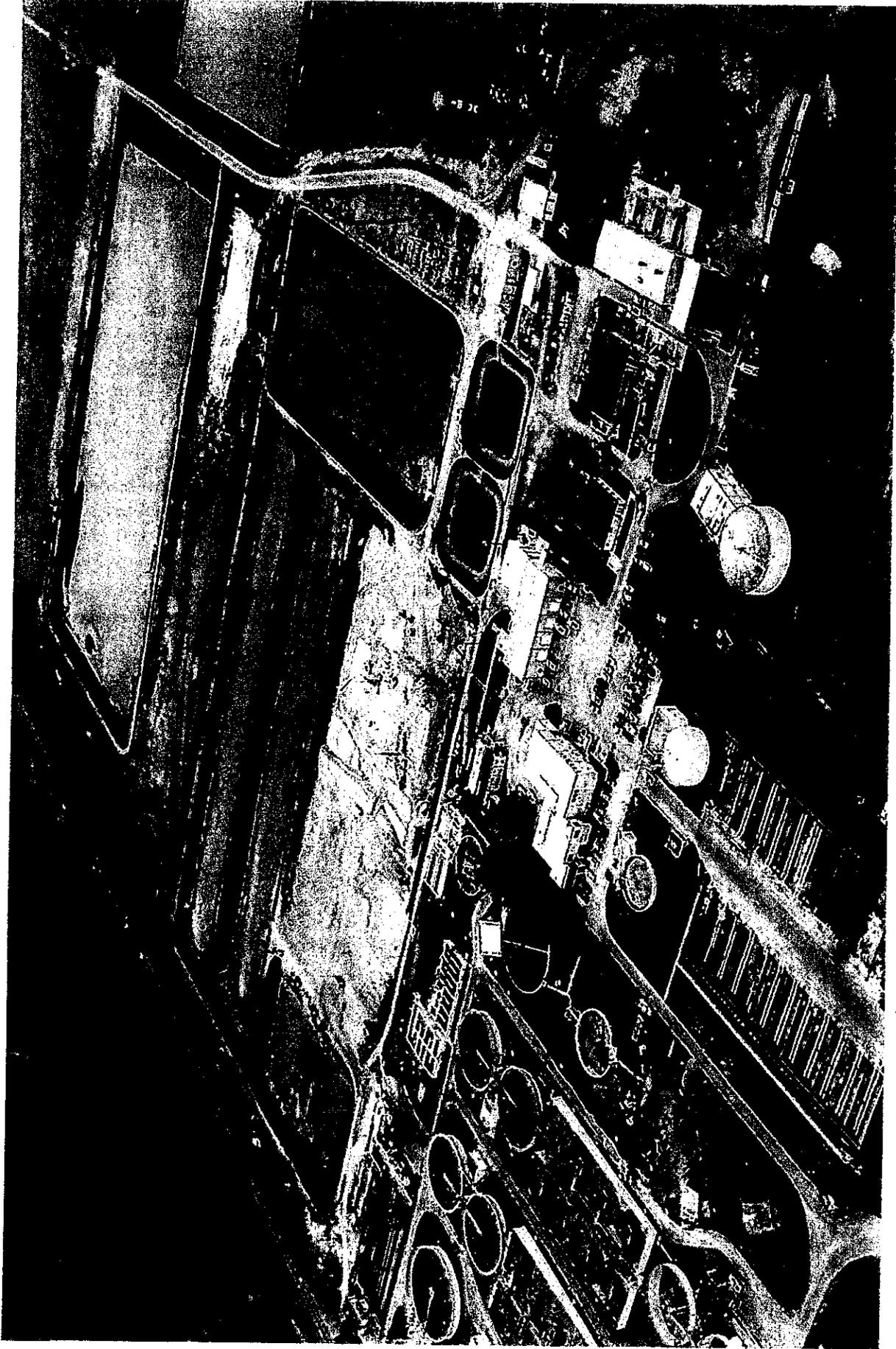


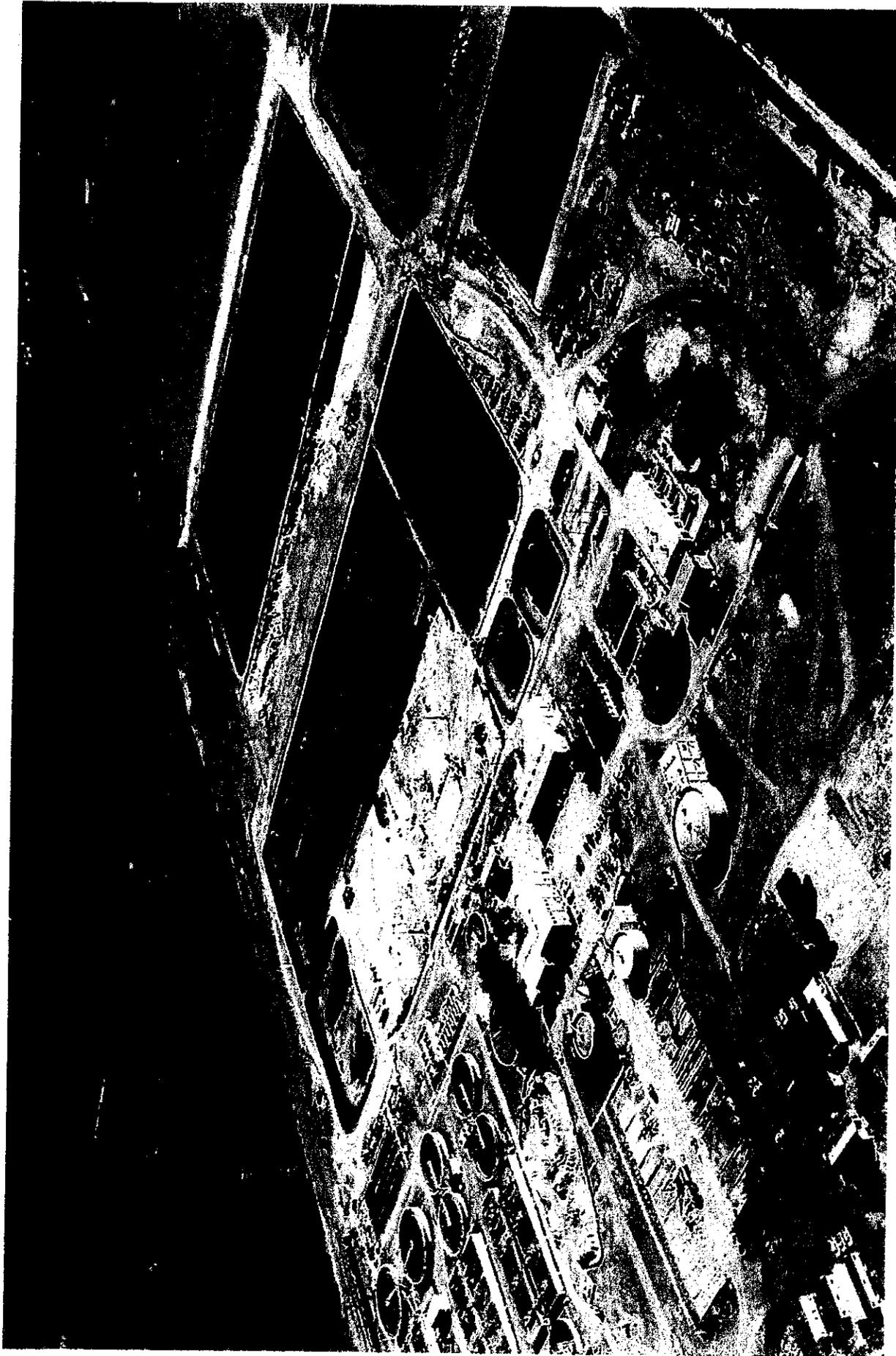






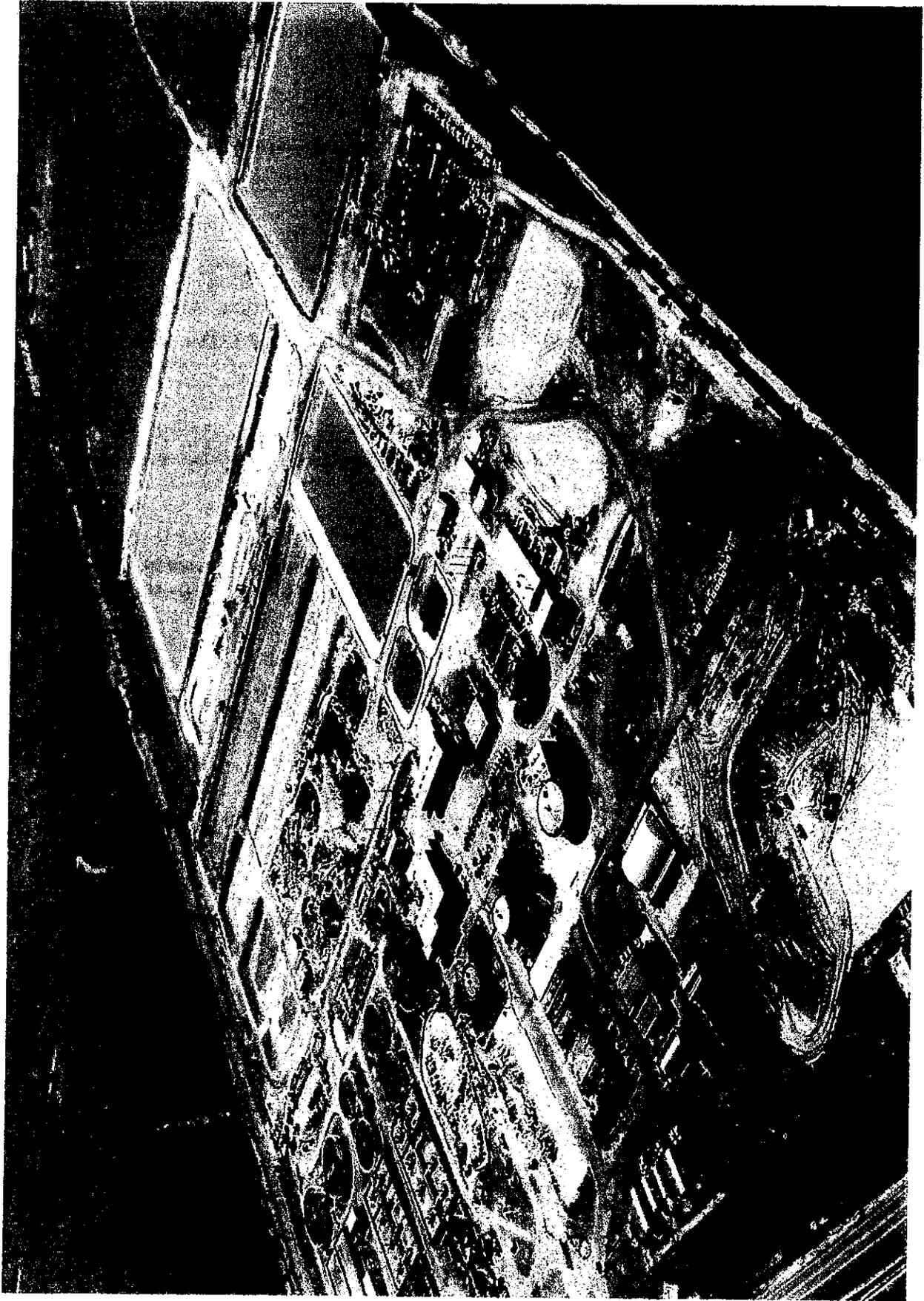


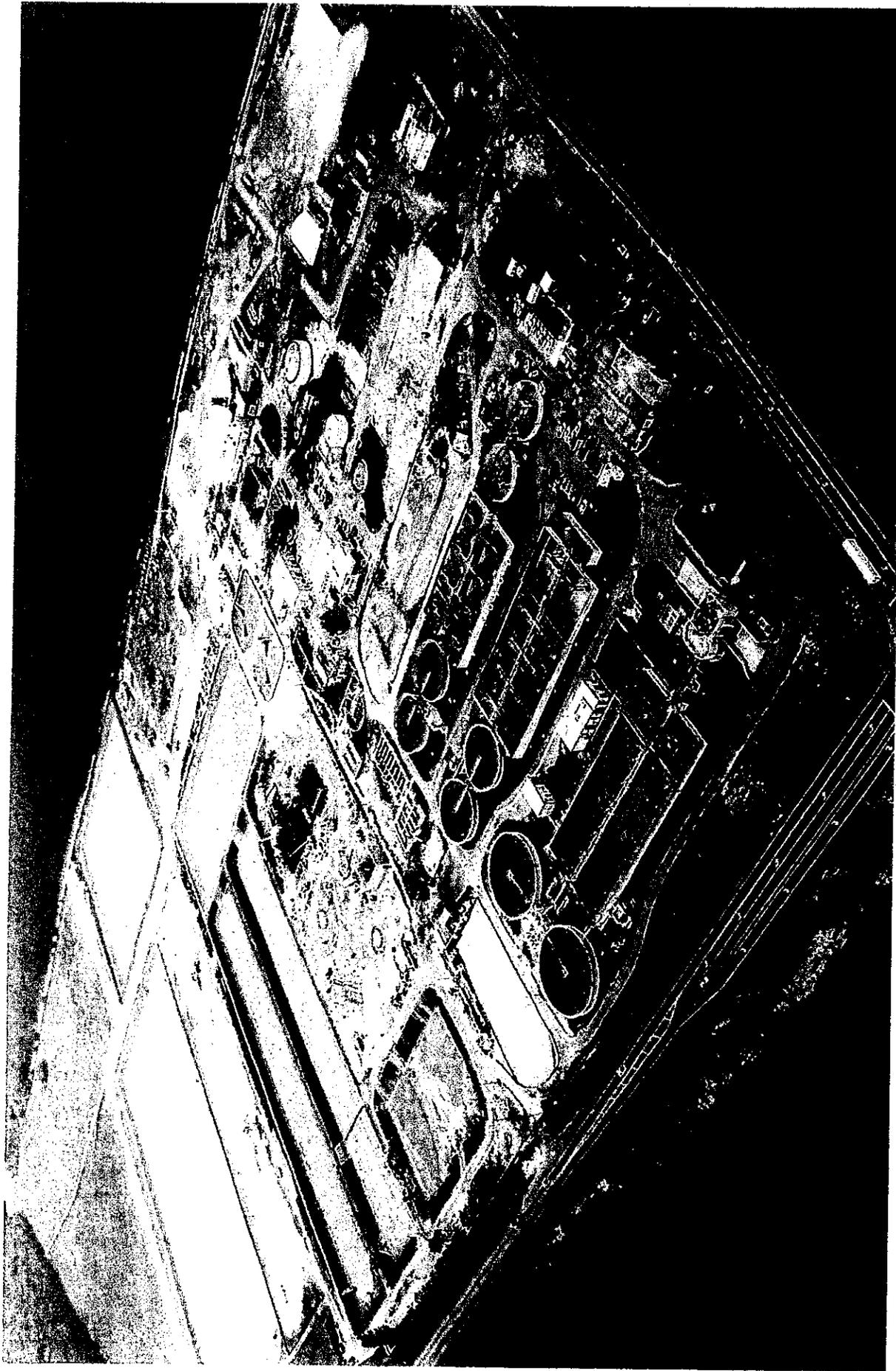


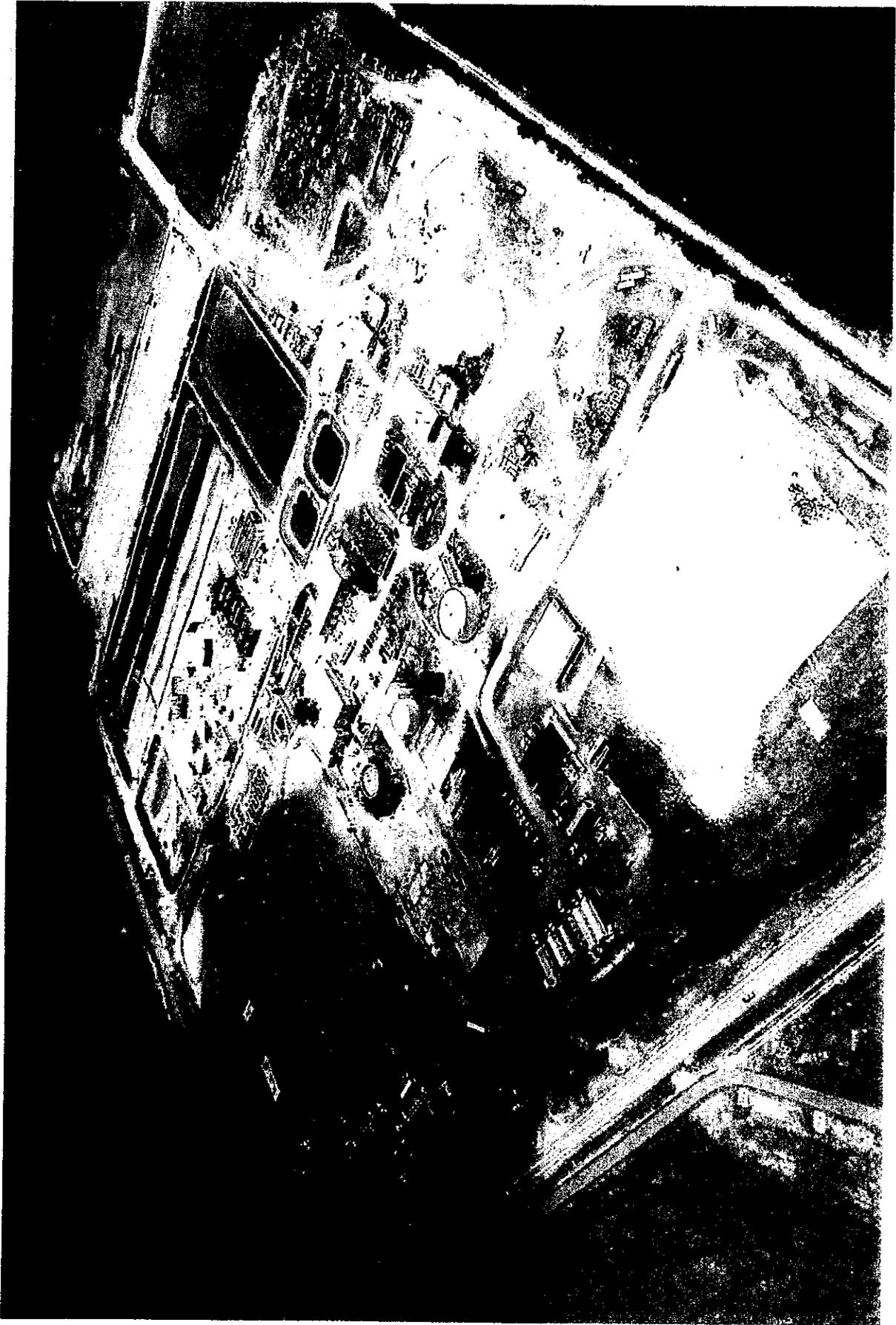


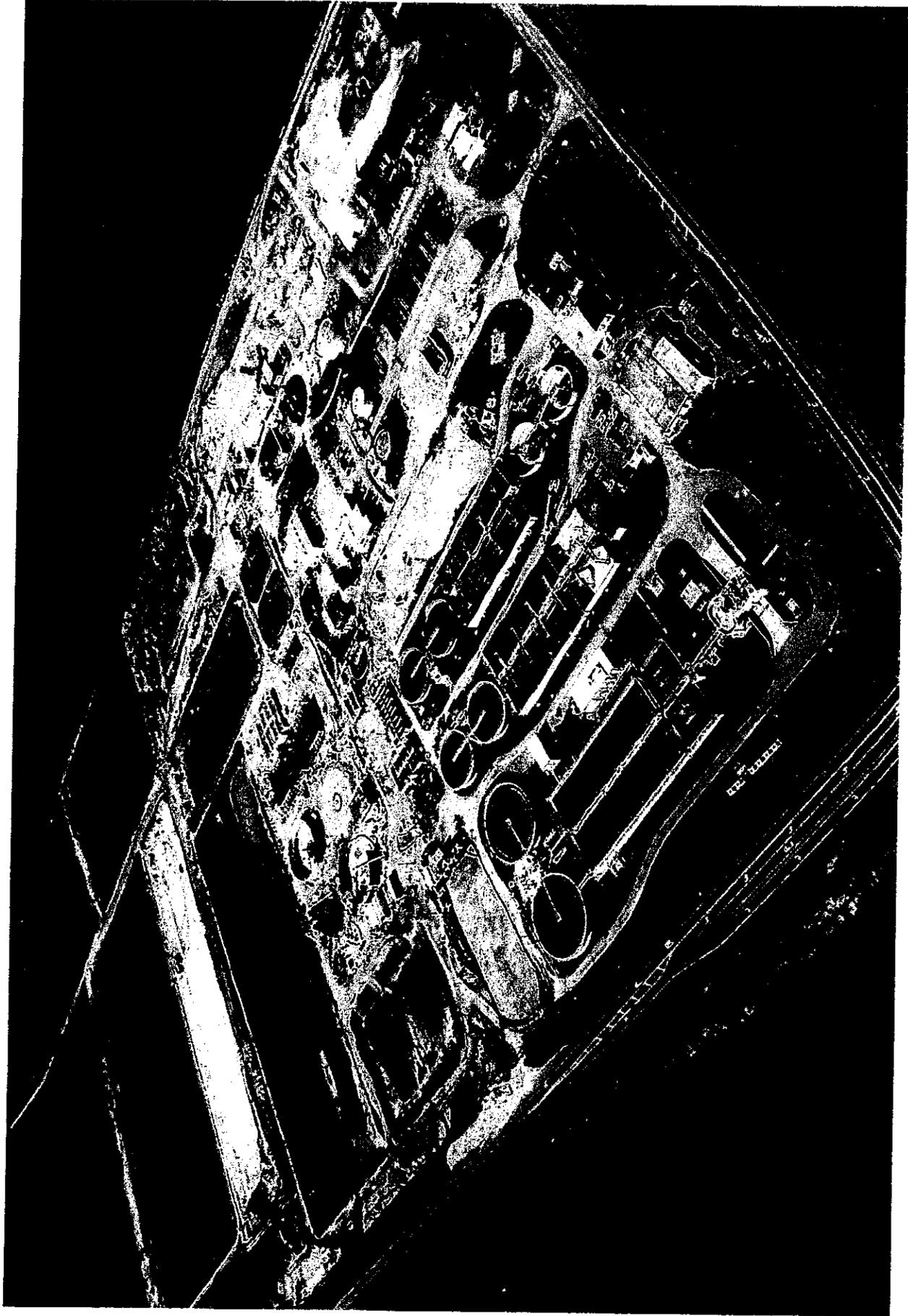












# Questions

**City of Tallahassee**  
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## **CITIZENS ADVISORY COMMITTEE**

**OCTOBER 14, 2010- CANCELED**



**CITIZENS ADVISORY COMMITTEE  
THURSDAY, SEPTEMBER 9, 2010  
12:00 P.M. TO 1:30 P.M.  
CITY HALL, 2<sup>ND</sup> Floor, Tallahassee Room**

**Meeting minutes will be available at the next meeting:  
Thursday, November 9, 2010  
12:00 noon – 1:30 p.m.  
City Hall, 2<sup>ND</sup> Floor, Tallahassee Room**



