

City of Gainesville

City Hall
200 East University Avenue
Gainesville, Florida 32601



Minutes

Thursday, July 9, 2015

4:00 PM

Roberta Lisle Kline Conference Room

Regional Utilities Committee

*Commissioner Harvey Budd, Chair
Mayor-Commissioner Pro Tem Craig Carter, Member
Commissioner Charles Goston, Member
Commissioner Lee Pinkoson, Member*

Persons with disabilities who require assistance to participate in this meeting are requested to notify the Equal Opportunity Department at 334-5051 or call the TDD phone line at 334-2069 at least two business days in advance.

CALL TO ORDER

Chair Budd called the meeting to order at 4:05 p.m.

ADOPTION OF THE AGENDA

The agenda was adopted as drafted.

APPROVAL OF MINUTES**150132. RUC May 14, 2015 Meeting Minutes (B)**

Attachments: [150132 RUC 5-14-15 Meeting Minutes 20150709](#)

The minutes of the May 14, 2015 RUC meeting were approved as drafted.

RECOMMENDATION *Approve the minutes of the May 14, 2015 RUC meeting.*

CURRENT ACTION ITEMS**140194. Electric Capacity Rate/Electric Redundant Service Charge (B)**

Attachments: [140194 Electric Service Charge Update 20150514](#)

[140194 Gas Service Charges 20150514](#)

[140194 Water Service Charges 20150514](#)

[140194 WW Service Charges 20150514](#)

[140194 Electric System Rate Proposals 20150709](#)

Dave Beaulieu started the presentation by saying that GRU wanted to get the City Commission to adopt our practice on how to design streetlights. He gave some background on the need to develop a standard rate template for LED streetlights and rental lights. He explained the factors that would be considered in developing the rate, including materials (capital outlay) labor, overheads, equipment costs, planned and unplanned maintenance among others. Discussion ensued about return on investment and the difference in cost between LED and sodium halide lights, and whether rental lights were cost effective for customers. Further discussion was had about who determines where lights are placed. Mr. Beaulieu explained that GRU is the contractor and that the City's Public Works Department and the County's Public Works Department gave us direction as to where to place lights inside the city limits and in the unincorporated areas, respectively. Mr. Beaulieu stated that GRU would be seeking approval from the City Commission to create the standard rate template so we can move product to market faster. After discussion about rate of return, the Committee asked that we benchmark our proposed rate against our peer utilities.

Mr. Beaulieu next discussed our need to develop a dual circuit capacity rate. He explained that certain large customers require a higher degree of reliability in the form of another path for power to be delivered to the customer in the event of an outage. He said that additional cost and operating constraint is imposed on the distribution

system to provide that service and that those costs should be paid by the customer who receives the benefit.

Mr. Beaulieu also discussed the need for a stand-by capacity rate. He explained that this is when a certain amount of power is held in reserve for the customer to be used when they need it. It then becomes unavailable for delivery to other customers, so it's a service that should be charged for. Several of our large customers already have this service but have not been charged for it. Our plan is to create a rate for this stand-by capacity and offer the service to other large customers, with the existing customers being grandfathered in. He said that most of our peer utilities in Florida already have this type of rate. He explained that this would not generate a lot of revenue but rather would allocate the costs appropriately.

The presentation was received by the Committee and the proposed rates will be discussed at the upcoming budget hearings with the full City Commission.

RECOMMENDATION The RUC hear a presentation from staff in preparation for a hearing before the full City Commission as part of the FY2016 Budget presentations.

140826.

GRUCom Expansion (B)

Attachments: [140826 GRUCom 20150709](#)

Ted Kellerman gave a presentation on GRUCom operations. He started by explaining why GRUCom was established and how they grew over time by expanding their available services to accommodate the growing cellular industry. He explained that currently GRUCom provides fiber-to-the home, mostly to apartments. Most of our new business comes from customers coming to us and telling us what they need, we then put a business case together, which the customer either accepts or not. If they accept, we provide the service, if they're not interested, we pull out. Mr. Kellermann said that GRUCom is a profit center and must be risk-averse. He said that providing internet service to individual residences would be cost prohibitive. The monthly rates we would have to charge to make a profit would be greater than most be would be willing to pay for internet.

The Committee agreed that currently there is not an adequate return on investment (ROI) to justify the extension of fiber to residential customers beyond the MDU market. GRUCom will continue to review opportunities on a case-by-case basis as requested by developers or owners to ensure an adequate ROI. The Committee voted to recommend this item for removal from the referral list.

RECOMMENDATION Hear a presentation from staff and discuss GRUCom expansion.

REVIEW OF PENDING REFERRALS

150136.

RUC Outstanding Referral List (B)

Attachments: [RUC Outstanding Referrals Revised 7-9-15](#)

The Committee reviewed the outstanding referrals list and determined that some items had been resolved and should come off the list.

#110783 Green Energy Payments: discussed twice in committee; Community Solar, a form of green energy, is being evaluated with item #130957 Power 2020.

#140360 Connection Fees for Non-Profits - this item is being discussed in the Community Development Committee as part of the ConnectFree program.

#140461 Customer Rate Review Committee - Discussed at the 2/12/15 meeting, this item is being merged with the Governance item (#140384).

#140826 GRUCom Expansion - Discussed at the 7/9/15 meeting; currently there is not an adequate return on investment (ROI) to justify the extension of fiber to residential customers beyond the MDU market; GRUCom will continue to review opportunities on a case-by-case basis as requested by developers or owners to ensure an adequate ROI.

These items will be recommended for removal from the referral list at the August 6, 2015 City Commission meeting.

RECOMMENDATION *Review outstanding referrals.*

MEMBER COMMENT

CITIZEN COMMENT

Citizens Debbie Martinez, Don Glendening and Jim Konish spoke.

NEXT MEETING DATE

August 13, 2015

ADJOURNMENT

The meeting was adjourned at 6:15 p.m.