

LAKELAND UTILITY COMMITTEE
September 8, 2009

The Lakeland Utility Committee met in the Commission chambers. Members Karen McKnight, George Lindsey, and Tom Joyner were present. Members Terry Simmers, Dave Curry, and Stacy Campbell-Domineck were absent. Commissioners Justin Troller, Jim Verplanck, Howard Wiggs, Gow Fields, Edie Yates, and Mayor Fletcher were present. Commissioner Glenn Higgins was absent for a doctor appointment. LE Managing Director Jim Stanfield, City Manager Doug Thomas, City Attorney Tim McCausland, and City Clerk Kelly Koos were present along with staff and the media.

Unit #5 Saga by Tony Candales, Assistant GM Production

Tony Candales gave the presentation. He reviewed Unit # 5's performance of the last seven years. The three reasons Unit #5's performance has turned around:

1. Understanding what you have and operating it accordingly. In 2006, LE kept the unit down for two months to understand the unit better. Lower gas prices have allowed LE to showcase Unit #5.
2. The quality of our MCO Team
3. Low gas prices

Discussion

Commissioner Troller asked about Unit #1. Unit #1 had been out of service since March. Some employees think it was a safety issue to run Unit #1 at full capacity. LE reduced the capacity and it will be load limited.

Smart Grid by David Kus, Assistant GM Customer Service

David Kus introduced this item. Nine months ago LE engaged Accenture to implement the Smart Grid program and then with grant funds hired them to conduct the stimulus application program.

John Burke of Accenture gave the presentation, a copy of which is on file in the City Clerk's Office. LE started the project nine months ago. They developed the RFP. They still had to complete the education program and the IT road map. He gave an update on the SmartGrid Project Status. He reviewed the Technology Considerations: Smart Meters, Demand Response Technology, In-Home Display/Home Area Network, and Web Portal. He reviewed the Key Financials and Costs and the Incentive-based Rates.

Grant Support: The City filed August 6, 2009 for FOA-000058 a grant that provided matching funds up to 50% of the entire project. The project could be large (\$200 million) or small (\$20 million) and must be electric only. LE applied for a small grant, in hopes of being more successful. The award should be announced by early 4th quarter of 2009.

The steps remaining were:

- Final RFP Review & Issue (2 RFPs, MDMS & System with installation & integration)
- IT Road Map
- Customer Education Campaign

Questions

The group discussed Pay in Advance or Pre Pay Metering. Some districts have done pilots. It has been somewhat controversial. With pre-pay there was potentially no deposit, the In-Home Display encourages customers to reduce usage. The program in Salt River was voluntary.

LE would like to proceed with the project even if they were not successful in their bid for grant funds. Without the grant funds, LE would have to modify the rollout of the program.

LE had not issued the RFP for the technology. Jim Stanfield would not recommend a technology that was not mature.

The SmartGrid Program would allow commercial accounts to discover quality issues more quickly, reduce their peak demands and allow for quicker restoration. The vast majority of LE's peak demand was on the residential accounts.

A customer who chose to participate, would have no capital cost. It would cost LE approximately \$400-\$650 per account based on the devices installed.

Memo re: Agreement with P & M Communications Contractors, Inc. for Installation of Underground Electric Conduit

This was a proposed Agreement between the City and P & M Communications Contractors, Inc. for installation of underground electric conduit and associated concrete structures/surface restoration, for the City's Energy Delivery Engineering Division. Three contractors submitted competitive bids. Staff evaluated each bid based on proposed unit prices and scoring projected costs over a one (1) to five (5) year period. Staff selected P & M Communications Contractors, Inc. as the bidder that best represented the needs of the City based on its submittal of the lowest cost bid, its prior working relationship with the City and its local location, providing the City with a quicker response time when services are required.

The term of this Agreement shall be effective upon approval by the City Commission and shall remain in effect for an initial period of one (1) year with four (4) additional one (1) year renewal periods, upon mutual agreement of the parties. The total cost associated with this Agreement shall not exceed \$250,000.00, based on the services required from P & M Communications Contractors, Inc., on an as-needed basis in accordance with the fee pricing and fee schedule contained in the Agreement.

Staff recommended that the Commission authorize the appropriate City officials to execute this Agreement.

Assistant City Attorney Ramona Sirianni presented this item to the Utility Committee.

Action: George Lindsey moved to approved staff's recommendation. Commissioner Yates seconded and the motion carried nine to zero, unanimously.

Memo re: Task Authorization with Telvent Miner & Miner for Development of Custom Compatible Unit Builder and Viewer

This was a proposed Task Authorization between the City and Telvent Miner & Miner for the development of a new Compatible Unit (CU) Builder and CU Viewer software program pursuant to the City's continuing agreement with Telvent Miner & Miner for software consulting services. These new CU Builder and Viewer software programs would contain functionality to enable the T&D Standards Group to construct and maintain Lakeland Electric T&D Standards, as well as allow office/field personnel to search and view the Standards.

These new software programs were required as replacement of current software due to the move from the existing work order system to the new enterprise work order system. The development of this software program was a high priority project due to its interdependence with the VJP Replacement Project, which was a major new system implementation involving Delivery's engineering design and estimation solution. The project would be completed in three (3) phases over a three (3) month period in accordance with Telvent Miner & Miner's Scope of Work: 1) Design Phase, 2) Development Phase, and 3) Deployment Phase. The total cost of the Task Authorization for this project was \$99,782.00, which was budgeted.

Staff recommended that the Commission authorize the appropriate City officials to execute this Agreement.

Assistant City Attorney Ramona Sirianni presented this item to the Utility Committee.

Action: George Lindsey moved to approve staff's recommendation. Commissioner Yates seconded and the motion carried nine to zero, unanimously.

Memo re: Agreement with Stratasoft, Inc. to Develop and Implement a Scheduling Software Package for Lakeland Electric's Customer Service Call Center

This was a proposed Agreement between the City and Stratasoft, Inc. to develop and implement a scheduling software package to automate the process of determining appropriate staffing levels for Lakeland Electric's Customer Service Call Center. Lakeland Electric's Call Center managed 491,000 inbound calls per year, operating on multiple shifts between the hours of 7:30 a.m. to 8:00 p.m. Staffing assignments were currently done manually by comparing past call volumes to the roster of available

employees, which consumed approximately 20 hours of one Supervisor's work week. The purchase of scheduling software would effectively automate the scheduling process by matching past call volume to the roster of employees, predict future call volume and create appropriate work schedules. By automating this process, supervisors could produce work schedules within minutes and the resulting labor time savings would be re-directed to call monitoring in order to meet the goal of increasing call quality and service.

Pursuant to the City's Request for Proposal (RFP) #9167, the selection committee received two proposals, of which one was withdrawn due to its inability to meet key technical requirements contained in the RFP. Stratasoft, Inc. was able to meet all of the requirements set out in the RFP and the City was able to secure a 12% reduction in the annual maintenance fee while obtaining a lower price for additional future licenses if necessary.

The term of this Agreement would be effective upon approval by the City Commission and continue until otherwise terminated as provided by the Agreement. The total cost of this project pursuant to this Agreement was approximately \$43,000, which included the purchase of approximately 35 software licenses, installation, training, and maintenance.

Staff recommended that the Commission authorize the appropriate City officials to execute this Agreement.

Ramona Sirianni presented this item to the Utility Committee.

David Kus clarified that this was more for efficiency than savings.

Action: George Lindsey moved to approve staff's recommendation. Commissioner Yates seconded and the motion carried nine to zero, unanimously.

Memo re: Agreement with Stanley Consultants for Design Services for McIntosh Administration Facility

This was a proposed Agreement between the City and Stanley Consultants, Inc. for design services for a new administrative facility at Lakeland Electric's McIntosh Power Plant. In 2007, Lakeland Electric Energy Production commissioned a study with Sargent and Lundy to examine the facilities at the McIntosh Power Plant with the intent to develop a cost-effective plan for a new administrative facility. This study evaluated renovation and reuse of existing facilities, with consideration given to current and expected future staffing levels. During the course of the study, functional deficiencies in other facilities at the plant, such as maintenance and warehousing, were identified in a separate project.

Stanley Consultants, along with its subcontractor Wallis Murphey Boyington Architects, were selected pursuant to the Consultants Competitive Negotiation Act statutory guidelines, and approved by the City Commission on August 18, 2008, to provide

preliminary design services. At that time, the City issued a Task Authorization to Stanley Consultants to develop the programming and concept space plan phase for the administration building at McIntosh. A recently completed siting plan was developed to reduce the size of the administration building, better determine the location of the new building, and provide construction cost estimates. This revised proposal from Stanley Consultants was being presented as an agreement to prepare construction documents for the administration building, which would be located on the plant side of East Lake Parker Drive, north of Unit #3 and east of the cooling towers.

The total cost of the services provided pursuant to this Agreement with Stanley was a lump sum fee of \$298,000.00. In addition, there was an optional construction administration scope of services that had a total lump sum cost of \$88,000.00, which would require approval by the Commission later if such option were chosen.

Staff recommended that the Commission authorize the appropriate City officials to execute this Agreement.

Ramona Sirianni presented this item to the Utility Committee.

Action: George Lindsey moved to approve staff's recommendation. Commissioner Verplanck seconded and the motion carried eight to one with Commissioner Troller voting nay.

Commissioner Wiggs inquired about the workshop on the hedging program. Doug Thomas explained that the Risk Oversight Committee had been working on the issue.

The meeting adjourned at 1:57 p.m.