

Utility Commission Meeting Agenda

Tuesday, June 21, 2022, 2:00 p.m.
Committee Room 2
City Hall

We recognize and respect that New Westminster is on the unceded and unsurrendered land of the Halkomelem speaking peoples. We acknowledge that colonialism has made invisible their histories and connections to the land. As a City, we are learning and building relationships with the people whose lands we are on.

Pages

1. CALL TO ORDER AND LAND ACKNOWLEDGEMENT

The Chair will open the meeting and provide a land acknowledgement.

2. MOTION TO MOVE INTO CLOSED MEETING

THAT the Utility Commission will now go into a meeting which is closed to the public in accordance with Section 90 of the Community Charter, on the bases that the subject matter for all agenda items relate to matters listed under sections:

(1)(a) personal information about an identifiable individual who holds or is being considered for a position as an officer, employee, or agent of the municipality or another position appointed by the municipality;

(1)(c) labour relations or other employee relations;

(1)(k) negotiations and related discussions respecting the proposed provision of a municipal service that are at their preliminary stages and that, in the view of the council, could reasonably be expected to harm the interests of the municipality if they were held in public.

3. CHANGES TO THE AGENDA

Additions or deletion of items.

4.	<u>ADOPTION OF MINUTES FROM PREVIOUS MEETINGS</u>	
4.1.	Minutes of May 17, 2022	3
5.	<u>CONSENT AGENDA</u>	
5.1.	Electrical Purchases and Sales Report	7
	• May 2022	
5.2.	Financial Statements	8
6.	<u>CORRESPONDENCE</u>	
7.	<u>REPORTS AND PRESENTATIONS</u>	
	Staff and guest reports and presentations for information, discussion, and/or action	
8.	<u>NEW BUSINESS</u>	
	Items added to the agenda at the beginning of the meeting.	
9.	<u>END OF MEETING</u>	
10.	<u>UPCOMING MEETINGS</u>	
	Remaining scheduled meetings for 2022, which take place at 2:00 p.m. unless otherwise noted:	
	• September 20	
	• October 18	
	• November 22	

Utility Commission**MINUTES****Tuesday, May 17, 2022****Queensborough Community Centre - Royal Room****PRESENT**

Len Kelsey	Commissioner, Chair
Mayor Jonathan Cote	Commissioner
Councillor Patrick Johnstone	Commissioner
Sally Bhullar-Gill	Commissioner
Maya Chorobik	Commissioner
Lino Siracusa	Commissioner
Lisa Spitale	Commissioner

STAFF

Rod Carle	General Manager, Electrical Operations
Steven Faltas	Business Process Manager, Electrical Operations
Phil Kotyk	Manager, Fiber Networks
Patrick Shannon	Manager, Purchasing
Harji Varn	Chief Financial Officer
Katie Stobbart	Committee Clerk

1. CALL TO ORDER AND LAND ACKNOWLEDGEMENT

The Chair opened the meeting at **TIME p.m.** Rod Carle recognized with respect that New Westminster is on the unceded and unsurrendered land of the Halkomelem speaking peoples. He acknowledged that colonialism has made invisible their histories and connections to the land. He recognized that, as a City, we are learning and building relationships with the people whose lands we are on.

2. MOTION TO MOVE INTO CLOSED MEETING

MOVED and SECONDED

THAT the Utility Commission will now go into a meeting which is closed to the public in accordance with Section 90 of the Community Charter, on the bases that the subject matter for all agenda items relate to matters listed under sections:

(1)(a) personal information about an identifiable individual who holds or is being considered for a position as an officer, employee, or agent of the municipality or another position appointed by the municipality;

(1)(c) labour relations or other employee relations;

(1)(k) negotiations and related discussions respecting the proposed provision of a municipal service that are at their preliminary stages and that, in the view of the council, could reasonably be expected to harm the interests of the municipality if they were held in public.

Carried.

All commissioners present voted in favour of the motion.

3. CHANGES TO THE AGENDA

Additions or deletion of items.

4. ADOPTION OF MINUTES FROM PREVIOUS MEETINGS

4.1 Minutes of March 29, 2022

MOVED and SECONDED

THAT the minutes of the Utility Commission meeting held on March 29, 2022 be adopted.

Carried.

All commissioners present voted in favour of the motion.

5. CONSENT AGENDA

5.1 Electrical Purchases and Sales

a. March 2022

b. April 2022

5.2 Financial Statements

MOVED and SECONDED

THAT the Utility Commission adopt items 5.1 and 5.2 on Consent.

Carried.

All commissioners present voted in favour of the motion.

6. CORRESPONDENCE

6.1 Five Ways to Test Drive an EV Before You Buy

6.2 EV Options Boom in B.C., so We're Having Fun

MOVED and SECONDED

THAT the Utility Commission receive the above reports for information.

Carried.

All commissioners present voted in favour of the motion.

7. REPORTS AND PRESENTATIONS

There were no items.

8. NEW BUSINESS

There were no items.

9. END OF MEETING

ON MOTION, The meeting ended at 3:28 p.m.

10. UPCOMING MEETINGS

Remaining scheduled meetings for 2022, which take place at 2:00 p.m. unless otherwise noted:

- June 21

- September 20
- October 18
- November 22

Certified Correct,

Len Kelsey
Chair

Katie Stobbart
Committee Clerk

DRAFT

**SUMMARY OF ELECTRICAL ENERGY PURCHASES AND SALES
2022**

MONTH BILLING PERIOD		Jan 1	Feb 2	Mar 3	Apr 4	May 5	Jun 6	Jul 7	Aug 8	Sep 9	Oct 10	Nov 11	Dec 12	GRAND TOTAL
NUMBER OF CONNECTIONS		37,260	37,258	37,263	37,272	37,286								37,263
BILLING REVENUE	GL CODING													
Residential (RES)	9300.3704	1,556,589	4,962,009	1,889,354	3,740,423	2,133,582								14,281,958
RES: ADJs	9300.3704	(97,823)	(4,604)	(15,023)	(14,032)	(8,878)								(140,359)
Commercial (COMM)	9300.3706	1,396,111	3,036,850	1,792,623	2,563,862	1,972,320								10,761,765
COMM: ADJs	9300.3706	(4,567)	(35,889)	(2,947)	(24,863)	(23,717)								(91,982)
		2,850,310	7,958,366	3,664,007	6,265,390	4,073,308	-	-	-	-	-	-	-	24,811,382
Monthly Accruals														
RES: Rev Prior Month Accrual	9300.3704	(2,166,177)	(3,441,147)	(1,714,473)	(2,489,629)	(1,399,557)								(2,166,177)
COMM: Rev Prior Month Accrual	9300.3706	(2,166,177)	(3,441,147)	(1,714,473)	(2,489,629)	(1,399,557)								(2,166,177)
RES: Rec Current Month Accrual	9300.3704	3,441,147	1,714,473	2,489,629	1,399,557	1,432,496								1,432,496
COMM: Rec Current Month Accrual	9300.3706	3,441,147	1,714,473	2,489,629	1,399,557	1,432,496								1,432,496
Net Accrual Adjustment		2,549,941	(3,453,348)	1,550,311	(2,180,143)	65,876	-	-	-	-	-	-	-	(1,467,362)
TOTAL BILLING REVENUE EARNED		5,400,251	4,505,019	5,214,319	4,085,247	4,139,184								23,344,022
BC HYDRO - PURCHASE OF POWER														
Billed Demand (kVA)	9300.6805	919,310	771,869	689,476	670,626	668,772								3,720,052
Billed Energy (kWh)	9300.6805	2,605,292	2,348,524	1,961,283	1,950,382	1,782,461								10,647,942
Reverse Prior Month Accrual	9300.6805	(587,434)	(587,434)	(208,026)	(490,881)	(355,458)								(587,434)
Record Current Month Accrual	9300.6805	587,434	208,026	490,881	355,458	422,626								422,626
TOTAL PURCHASE OF POWER		3,524,602	2,740,986	2,933,614	2,485,584	2,518,401								14,203,187
GROSS MARGIN		1,875,649	1,764,033	2,280,705	1,599,663	1,620,783								9,140,835
GROSS MARGIN %		35%	39%	44%	39%	39%								39%
PURCHASE OF POWER DETAILS														
Demand (kVA)														
Metered Peak Demand LLH		93,059	80,880	75,341	70,084	61,894								
Metered Peak Demand HLH		106,377	89,316	78,750	70,901	66,005								
50% Contract Demand		53,500	53,500	53,500	53,500	53,500								
75% of Previous High Demand		65,409	65,409	79,782	79,782	79,782								
Billing Demand		106,377	89,316	79,782	79,782	79,782								
Energy (kWh)														
Total Metered Energy		51,437,157	46,367,704	38,722,262	38,750,647	35,468,478								
Billing Period Energy		51,437,157	46,367,704	38,722,262	38,750,647	35,468,478								210,746,248
Billed Period Energy - % Change		10%	-10%	-16%	0%	-8%								
Billed Demand Rate per kVA		8.6420	8.6420	8.6420	8.4057	8.3825								
Billed Energy Rate per kWh		0.05065	0.05065	0.05065	0.05033	0.05025								
INTERNAL ENERGY SALES														
St Lights and Traf Signals	9300.3708	24,250	24,250	24,250	24,250	24,250								121,250
Internal City Utility Charges	9300.3899	115,018	101,456	99,589	125,613	89,367								531,042
Climate Action Levy	9300.3710	97,331	271,749	125,312	213,940	139,196								847,528
Mean Temperature (Celsius)		4.10	4.40	7.30	8.00	8.00								
Heating + Cooling Degree Days		432.0	382.0	333.4	291.0	300.7								

GL RECONCILIATION			
RES		11,975,424	
RES: Rec Current Month Accrual		1,432,496	
RES Subtotal			13,407,920
COMM		8,503,606	
COMM: Rec Current Month Accrual		1,432,496	
COMM Subtotal			9,936,102
TOTAL			23,344,022
CHECK			-



NEW WESTMINSTER

New Westminster Electric Utility Commission

Financial Report for the period ended May 31, 2022

June 21, 2022

Electric Utility – Operating Budget

The Electric Utility provides electrical distribution services to residential and commercial customers in New Westminster. Electricity is purchased from BC Hydro and resold by the Electric Utility to its customers. Revenues generated through the sale of electricity are used to operate and maintain the electrical distribution system.

The 2022 Total Revenue Budget of \$52.56M is primarily comprised of utility revenue generated from billing residential and commercial customers. To date \$23.43M, or 45% of the utility revenue target has been generated, which is \$0.96M ahead of 2022 expectations. Y/Y variance of \$1.09 M is mainly due to higher consumption (1.5M kWh higher Y/Y) due to lower mean temperatures and 2.8% annual rate increase.

The 2022 Expenditure Budget of \$41.13M is largely comprised of purchase of power from BC Hydro and similar to the utility revenue, purchase of power is ahead of target by \$0.55M. 2022 purchase of power is \$0.12M less than 2021, due to a higher volume of purchases (6.8M kWh higher Y/Y) which are offset by a 1.4% annual rate decrease in the purchase of power from BC Hydro.

CORPORATION OF THE CITY OF NEW WESTMINSTER STATEMENT OF OPERATIONS - ELECTRIC UTILITY YTD PERIOD ENDING MAY 31, 2022

(in millions)	2022 Budget	2022 YTD Budget	2022 YTD Actuals	YTD Budget Variance	2021 YTD Actuals	Y/Y Variance
REVENUE						
Utility Revenue	\$ 52.29	\$ 22.48	\$ 23.43	\$ 0.95	\$ 22.29	\$ 1.14
Sales of Service	0.05	0.02	(0.00)	(0.03)	0.04	(0.04)
Contributions	-	-	0	0.00	0.01	(0.01)
Other Revenue	0.22	0.09	0.09	0.00	0.08	0.01
TOTAL REVENUE	\$ 52.56	\$ 22.59	\$ 23.52	\$ 0.93	\$ 22.43	\$ 1.09
EXPENSES						
Utility Purchases & Levies	\$ 31.75	\$ 13.65	\$ 14.20	\$ (0.55)	\$ 14.32	\$ 0.12
Salaries, Benefits & Training	3.30	1.39	1.15	0.24	1.07	(0.08)
Contracted Services	1.17	0.49	0.45	0.04	0.41	(0.04)
Supplies & Materials	0.48	0.20	0.12	0.08	0.15	0.03
Interest & Bank Charges	1.03	0.34	0.34	-	0.29	(0.05)
Amortization	3.41	1.42	1.42	-	1.04	(0.38)
TOTAL EXPENSES	\$ 41.13	\$ 17.49	\$ 17.69	\$ (0.19)	\$ 17.28	\$ (0.41)
NET	\$ 11.44	\$ 5.11	\$ 5.83	\$ 0.74	\$ 5.15	\$ 0.68

In summary, the annual Net Operating Budgets planned surplus to cover city-wide capital works and debt financing fees is ahead of target by \$0.74M due to the better than planned revenue as at May 31, 2022.

Electric Utility – Capital Budget

QB Substation is in its construction phase and is scheduled to complete in Q4 2022. The capital plan estimated the total project value of \$30.0M which includes 10% for project contingency (to be spent but not identified initially) and 10% project reserve (not anticipated be spent but available if needed); the project is expected to be funded fully from debt financing and a borrowing by-law is approved at \$30.0M. The project is on track to close below the \$30M budget.

The Advanced Meter Project team has selected a vendor and the contract is at the negotiation phase and staff are working diligently and seek to award in the coming weeks. The project team is working on migrating customer data to a new server and completing a version update to its Northstar Customer Information System (CIS) as part of the infrastructure build for Advanced Metering. Completion of the server migration and update is to complete in September. Following completion of the migration and upgrade, the project team will commence implementation of the Meter Data Management (MDM) software. The MDM is a critical software program that collects metering data and connects the new meters to the City's existing NorthStar Billing system.

Another major project in the Approved Capital Plan is the District Energy Project. Although the 5 Year Capital Plan has an estimated \$52M for this project, the full-size and expenditure for the project is projected to be \$112.1M and is subject to the receipt of agreements around grant funding and agreements with FHA & Sapperton Green develop. Without additional grants/support the project is not financially viable and therefore no budget increase will be established until such funding has been secured. The City's engineering consultant has been assigned and is reviewing the options based on current market and funding opportunities.

Finally, significant planning and strategic work is advancing with the Climate Action team around EV infrastructure and transition to Electrical fleet for the Electrical Utility fleet and equipment.

Description	Multi-Year Approved Budget	Annual Spend Target	Total Actual Expenses	Forecast to Date	Forecasted Variance
Substation Upgrades	\$ 25.91	\$ 22.31	\$ 4.87	\$ 22.31	\$ -
Advanced Meters Infrastructure	10.79	10.19	0.26	10.19	-
Electrical New Services	15.62	7.52	1.56	7.52	-
Sapperton District Energy Syst	52.60	2.00	0.00	2.00	-
Electrical Vehicles	1.73	0.49	-	0.08	0.41
QB Substation Land Acquisition	-	-	-	-	-
Distribution Planning	1.72	0.50	-	0.50	-
Electric Vehicle Infrastructur	1.25	0.25	-	0.25	-
Electrical Utility Equipment	0.02	0.01	-	0.01	-
EV Chargers	-	-	-	-	-
Electrical Capital	\$ 109.63	\$ 43.25	\$ 6.69	\$ 42.84	\$ 0.41

BridgeNet – Operating Budget

BridgeNet was launched in 2016 as part of the City's Intelligent City initiative to provide New Westminster residents and businesses greater access to reliable, affordable high-speed internet services and relies on its partner Internet Service Providers (ISPs) to sell internet and broadband services to multi-dwelling unit residents, businesses and institutions.

The first few years were focussed on building the infrastructure and as we reach substantial completion for the build out, staff are working on the next phase of the project to advance the connections to reach the intelligent City goals and revenue targets required for full cost recovery.

For 2022, or Year 6 of the Business Plan, we have collected \$0.04M, or 22% of our utility revenue target which is \$0.04M behind 2022 YTD expectations due to delayed billings.

The Expenditure Budget of \$0.93M is largely related staff time, debt financing and amortization of the new infrastructure. Although the planned expenditures are on track per what was budgeted, the current revenues are unable to cover the cost to maintain the new system. Staff are working on obtaining a resource that will work on achieving revenue goals, prospect for leased line revenue with large carriers, developing the ISP partner ecosystem, and revising the original business plan strategy as necessary. Staff are also working on developing short-term and long-term performance targets for BridgeNet which will form objectives for the resource.

CORPORATION OF THE CITY OF NEW WESTMINSTER STATEMENT OF OPERATIONS - BRIDGENET YTD PERIOD ENDING MAY 31, 2021

<i>(in millions)</i>	2022 Budget	2022 YTD Budget	2022 YTD Actuals	YTD Budget Variance	2021 YTD Actuals	Y/Y Variance
REVENUE						
Utility Revenue	\$ 0.19	\$ 0.08	\$ 0.04	\$ (0.04)	\$ 0.03	-
Other Revenue	0.02	0.01	0.01	-	0.00	-
TOTAL REVENUE	\$ 0.21	\$ 0.09	\$ 0.05	\$ (0.04)	\$ 0.03	-
EXPENSES						
Salaries, Benefits & Training	\$ 0.19	\$ 0.08	\$ 0.07	\$ 0.02	\$ 0.07	\$ 0.00
Contracted Services	0.08	0.03	-	0.03	0	0
Supplies & Materials	0.00	0.00	0	(0.00)	0.00	-
Interest & Bank Charges	0.20	0.07	0.07	-	0.06	(0.02)
Amortization	0.47	0.19	0.19	-	0.20	0.01
TOTAL EXPENSES	\$ 0.93	\$ 0.38	\$ 0.33	\$ 0.05	\$ 0.33	\$ (0.00)
NET	\$ (0.73)	\$ (0.29)	\$ (0.29)	\$ 0.01	\$ (0.30)	\$ (0.00)

BridgeNet – Capital Budget

Total capital spent to date is \$8.0M, which includes the \$0.11M spent in 2022 to date. The table below represents the current 2022 Approved Capital Budget and primarily includes major investment for installation on the remaining Phase 3 for the BridgeNet dark fibre network.

Description	Multi-Year Approved Budget	Annual Spend Target	Total Actual Expenses	Forecast to Date	Forecasted Variance
Total BridgeNet Fund	\$ 3.45	\$ 0.95	\$ 0.11	\$ 0.95	\$ (0.00)

APPENDIX 1

Electrical Purchases & Sales Report (EDMS Doc# 836632)

SUMMARY OF ELECTRICAL ENERGY PURCHASES AND SALES 2022

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Residential (RES)	1,556,589	4,962,009	1,889,354	3,740,423	2,133,582								14,281,958
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COMM: Rev Prior Month Accrual	(2,166,177)	(3,441,147)	(1,714,473)	(2,489,629)	(1,399,557)								(2,166,177)
RES: Rec Current Month Accrual	3,441,147	1,714,473	2,489,629	1,399,557	1,432,496								1,432,496
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BC HYDRO - PURCHASE OF POWER													
Billed Demand (kVA)	919,310	771,869	689,476	670,626	668,772								3,720,052
Billed Energy (kWh)	2,605,292	2,348,524	1,961,283	1,950,382	1,782,461								10,647,942
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TOTAL PURCHASE OF POWER	3,524,602	2,740,986	2,933,614	2,485,584	2,518,401								14,203,187
GROSS MARGIN	1,875,649	1,764,033	2,280,705	1,599,663	1,620,783								9,140,835
GROSS MARGIN %	35%	39%	44%	39%	39%								39%
PURCHASE OF POWER DETAILS													
Demand (kVA)													
Metered Peak Demand LH	93,059	80,880	75,341	70,084	61,894								
Metered Peak Demand HLH	106,377	89,316	78,750	70,901	66,005								
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75% of Previous High Demand	65,409	65,409	79,782	79,782	79,782								
Billing Demand	106,377	89,316	79,782	79,782	79,782								
Energy (kWh)													
Total Metered Energy	51,437,157	46,367,704	38,722,262	38,750,647	35,468,478								210,746,248
Billing Period Energy	51,437,157	46,367,704	38,722,262	38,750,647	35,468,478								
Billed Period Energy - % Change	10%	-10%	-16%	0%	-8%								
Billed Demand Rate per kVA	8,6420	8,6420	8,6420	8,4057	8,3825								
Billed Energy Rate per kWh	0.05065	0.05065	0.05065	0.05033	0.05025								
INTERNAL ENERGY SALES													
St. Lights and Traf. Signals	24,250	24,250	24,250	24,250	24,250								121,250
Internal City Utility Charges	115,018	101,456	99,589	125,613	89,367								531,042
Climate Action Levy	97,331	271,749	125,312	213,940	139,196								847,528
Mean Temperature (Celsius)													
Heating + Cooling Degree Days	4.10	4.40	7.30	8.00	8.00								
	432.0	382.0	333.4	291.0	300.7								

