AGENDA MINUTES
MEETING
CITY HALL, 501 W MEADOW STREET
MONDAY, DECEMBER 4, 2023 5:30 PM

1. CALL TO ORDER

The City of Leesburg Electric Advisory Board held a regular meeting on Monday, December 4, 2023, at Leesburg City Hall. Chairperson Morris called the meeting to order at 5:30 p.m. with the following members present:

Board Member Jack Braton
Board Member Marc Schwartz
Chairperson Tim Morris

Board Member Robuck and Vice-Chair Flinn were absent.

Also present were City Manager (CM) Al Minner, City Clerk (CC) J. Andi Purvis, the news media, and others.

INVOCATION

Chairperson Morris gave the invocation followed by the Pledge of Allegiance to the Flag of the United States of America.

PLEDGE OF ALLEGIANCE TO THE FLAG OF THE UNITED STATES OF AMERICA

2. APPROVE MINUTES:

A. Inaugural meeting held November 1, 2023

Chairperson Morris stated approval of the minutes would be removed from tonight and moved to the next meeting. The minutes will be sent to all members for review.

3. PRESENTATION:

A. Leesburg Electric Department Operation Overview - Brad Chase, Electric Director

Brad Chase, director of the Electric Department, introduced himself as well as Chris Adkins, deputy director over the technical house, and Greg David, deputy director over the field side of the house. They are the management team, if you will, for the electric department. In this presentation we will take you

down a little bit closer to our day-to-day activities. Organizationally, our house is split up into two parts, Chris is over the technical services, which is electric operations, meter shop, and service planning, and Greg is over the field services division, which handles electric substations, contracts, and all the electric distribution houses. Highlights for the electric department are, we have 50 employees, a little over 27,800 customers; City Limits 13,003, Lake County 9,418, Fruitland Park 4,498, and 935 in Sumter County, which is our newest section, the Villages of Saint Catherine. Our operating budget is 7.9 million and the capital budget is just under three. The bulk energy purchase, obviously, is the largest piece of the city's budget, deals with the bulk energy we purchase. We will talk a bit about FMPA and the All Requirement partnership we have. Another fact we like to throw out is overhead and underground. We have about 67% of our system underground and all new subdivisions for years now are all installed underground. We may have some overhead lines feeding out to those, but once you get to the subdivisions you get to that infrastructure, most of that is underground, which is why that number keeps moving up. The electric service territory again, is different from gas, it is different from water, and it is different from other services. He presented a slide that outlined the electric territory and within the box shown was Fruitland Park, Lake County, the City of Leesburg, and a little bit off to the side was Sumter County. The distribution transmission world as a whole, the city of Leesburg is registered as a distribution provider. When you look at the NERC U System, and that takes us all the way from the substation all the way down to the meter, that is what we own, we operate, we maintain. All our transmission service is from Duke Energy. Our distribution obviously from the stations, as mentioned earlier, can go overhead or underground to our neighborhoods and to our homes. The guiding principles of our electric department: Our goal is to be a competitively priced electric utility within the central Florida region. We want to provide exceptional value, exceptional service to meet and exceed our customers' expectations with an understanding that safety comes first to our employees and to our customers.
We are a partner with FMPA, and within the FMPA we are a member of the All Requirements Project (ARP). To kind of paint this picture, there are about 33 Municipal Utilities (members) that are a part of the Florida Municipal Power Association, FMPA. Leesburg is one of 13 municipal members of the All Requirements Project within the FMPA, within the State of Florida. That means collectively we do not own any generation separately, but together we invest in and purchase our generation, and it's source from the FMPA. We cannot separately go out and do any
purchase power arrangements. We can not go out and do any of those on our own. Matter of fact, when a customer puts on rooftop solar, we have to calculate the amount of kilowatts per month that is generated, pushed back on the system, so that we end up getting the benefit. But the ARP calculates that, ends up sending us a bill for those, so again, everything we get we have to purchase from the ARP. We can not do anything on our own, but collectively, there is a lot of power in doing things together.

If you look at a purchase, the FMPA, which is the power pool, you have Orlando Utilities, Lakeland Electric, and FMPA All Requirements. All our generation is thrown into the mix with those three big entities. About 3500 kilos or megawatts are associated with the power pool where we are about 100 megawatts out of that 3500. Again, power in the economies of scale together between those big three members and that is where we test the market. On an annual basis, they go out and do Purchase Power Arrangements (PPA). There is one out right now with two electrics where we purchase or they are buying so many megawatts from us, 300 megawatts he thinks over the next couple months. FMPA is adamant about making sure we have generations to serve our needs, but when there is excess generation, we test the market to see what investments they can make, what sales they can make, so that is the FMPA ARP.

Our three areas again are Operations. Rich Olson is our current supervisor for that team. He is actually retiring at the end of the month and we have elevated one of the senior operators, Tony, to take his place. Rich is still the man in the ship and again their responsibility is to maintain a safe, reliable operation of

the electric substation, and distribution system. They are your 24/7, round the clock shop, monitoring our SCADA (Supervisory control and data acquisition) system, our AMI meters and also providing information about electric outages.

The metering section is under Alan Irvin, our superintendent supervisor. The big thing about the meter shop is again our AMI system, that is our automated metering infrastructure. All of our distribution meters are AMI in nature, and if they go out of power, we get a notification that feeds into our OMS system that lets us know when we have outages as well. The IVR customers can call into the AMI, which helps us to look into bill complaints. We can look at 15-minute intervals of usage for all of our customers on the electric system. So, if a customer complains about a high bill, we can nail it down exactly to what they are using, when they are using it, which really helps for those discussions to take place. Solar metering is increasing, we have about 300 to 400 customers with solar meters and more being added every week.

Customer Service Planning is our engineering side, which Steve Davis oversees. They look at our designs, they look at our infrastructure, they look for upgrades, for reconductoring, and they look for feeder extensions for new load customers. They try to deliver to our customers a product on time to meet their needs. A lot of our capital work is customer-driven projects, be it on the commercial side or the residential side. We do a lot of conversions from overhead to underground, which is all part of managing our infrastructure. We use a vendor called Osmose to do pole inspections. We have an 8-year cycle where we look at all of our wood distribution polls and so, from time-to-time, poles get marked for replacement.

Substation Maintenance is under Dixie Cleveland. We have five substations on our system today serving our 28,000 customers. Substations are our North sub on 468, Picciola substation over off Picciola, 27, our airport sub, our East sub is kind of near Cutrale and Center Street Sub , which has the big eagles painted on it. We are looking at another substation, so we purchased some property over off State Road 44 this side of Pembroke Fairways. Our substation group is a small group, just like our metering group. There are only four to five people, but they do everything. Like large utilities, we maintain our equipment, we have inspection cycles, and we have relay inspection cycles that meet our criteria, so all that is kind of wrapped into their day-to-day activity. Some of the projects they are working on are replacements of some of our older infrastructure. We still have equipment out there that is 40 years old that has reached its end of life. In scheduling those for replacement on the substation side, you have to get ahead of the curve. You cannot let those items fail before you replace them.

Contract Administration, Ronald Hancock is the supervisor. Our big contracts that we have are the tree contracts. We spend about $700,000 a year on tree maintenance and most of that is trimming, maintaining a clearance for our overhead lines, and also trimming for new capital works as well. We have an underground insulation crew. Earlier this year, we renewed the RFP and team Fishel won that project, so they are working for us now doing our underground work. They do our conduit, our manholes or pull boxes, and actually the little hybrid system here where, like in the neighborhood, a subdivision they go in and put in the infrastructure and also pull the primary set. Greg's guys go out and do a lot of the tap and sets. They make up the primary and handle all the heavy pulling on our main feeder cable. We do not sub that out, but on the smaller stuff, team Fishel does a good job for us pulling that conductor.

Distribution Construction Maintenance is the biggest part of our division. There are probably 25 in the whole division. Five crews, service trucks, and inspectors are out there managing our system, working on maintenance and capital projects, and all those sorts of things are part of the day-to-day work.
We do have apprentice programs in three areas; in the line department, in the meter department, and the

substation department. What we are able to do is look for internal hires or external hires and bring them in for four and a half years or four years. You are able to take somebody and get them up to that journeyman level. Again, in the meter shop, in the substation area, or in distribution and take somebody that we hire off the streets, train them and they go to our school. Matter of fact, we met with Lake Sumter today, who we partner with from a scholarship or a training perspective, married with on-the-job training together makes this a State Certified Apprentice program.

Our last division is budgeting. Our business analyst is Marie Carter and as you would imagine, there is a lot of pressure on the budget side. Not just the standard budget that we have for capital, but you have the other side of the house with the ARP. We have Purchased Power Arrangements that we pay for St. Lucy, which is a small portion of the nuclear project of which we are a member. Managing all those buckets of money takes a lot of effort.

Future projects and initiatives, you know smart grid is always something that we are looking to push. This year we did start up our home energy audit program, and it is an online solution that we point people to and dovetailed with the energy audit, we expanded our rebate program this year. Used to be we offered only a small subset. If you changed out a $10,000 AC unit, we would give you a $800 rebate towards that. Now we have expanded that, everything down to ceiling fans, we give you $25. You install a programmable thermostat in the wall, we will pay $25 towards that. We tried to regroup that rebate program to offer something for everybody. By looping these programs together, we try to point our consumers in the right direction on how to lower their costs and how to manage their electric usage a little bit better. When you do the audit, it is not just electric outputs, you also get water and natural gas outputs. We are also working on some text power solutions which is texting services to provide the customer with more accurate, timely information. We talked about the new substation looking to come in maybe 2025, 2026 or 2027. The exact date has not been nailed down yet. Then on the solar front, we do have an initiative where we signed up with their participation agreement with FMPA, so in the 2025-time frame, we are a member of FMPA solar project number three. We will get a total of about 18 megawatts from them for our energy use. Our current installation is about 300 rooftop solar, and we did put out a promo with Lakefront TV trying to give our consumers good information.
These sales staff are slick. They talk to the consumer, get them hooked on the solar, and sometimes we have to have the customer come and meet with us because we need to install a production meter to make sure everything is done correctly. Sometimes it is a sad discussion because they are expecting a little bit more out of what they are getting from solar. We are the ones that end up breaking the truth, so again, by working with Lakefront, that video just enforces the customer to get more than one estimate, do their homework, do the research, and call us to ask questions so we can help make those decisions on solar. From a utility scale solar, knock-on wood, we hope to see a cost reduction when solar goes in, you know again, from our requirements to get the bulk energy to serve our customers' needs. We went through this kind of quickly, did not pause for any questions, but would be happy to discuss anything you may want to know in a bit more detail.

Board member Schwartz asked when talking about the purchase power benefits of being part of FMPA, do those benefits translate into other areas. Is there additional buyer power? **ED Chase** answered that FMPA does a number of things. They have a whole service department where we try not to use the piggyback terminology, especially FEMA, hates it when they look at reimbursement requests. However, FMPA does a lot of RFP solicitation for services, identifying these vendors that we are able to work with without having to go through our own RFP processes. For instance, Lewis Tree, who we are re-negotiating with now, were approved through the FMPA solicitation process. We were able to utilize them without having to do our own RFP, which again takes time and costs money for the city to do some of those arrangements. We are talking about some grant stuff on the electric side and one of those vendors we are dealing with to help us look at the AMI product has a master service agreement with

FMPA, so again our purchasing group can work through that without having us to do a whole release for solicitation. Osmose is another example where we can pull from the municipal environment. We just renegotiated a contract for our method of transportation mode, traffic maintenance, utilized when we need a lane closure. Right now, we are working with putting up new distribution and we need some traffic re-routing, so our guys are working the same RFP solicitation so we can piggyback on that agreement without having the city of Leesburg spend a lot of time and money on an RFP for maintenance of traffic. So, yes, we do utilize the service side and work with Mike, who was here last meeting, and oversees the service side center.

Board member Schwartz said, he does not know if this is the time or the place for a conversation about solar. Obviously, Mount Dora is getting a lot of publicity right now about their solar program. Is that something we are going to dig deeper into a little later on because they make it seem like it is an awesome opportunity and the comment was made, sometimes it is not all it is cracked up to be. So, just kind of curious. **ED Chase** replied that because Mount Dora is not an ARP member, they can do whatever they want to do. They went out, got a developer to build two one megawatt solar farms which are up and running and producing. Steve Langley, Mount Dora's electric director, is letting customers buy into that program and participate and have their energy sourced from that panel that is put on their roofs and participate in that fashion. We are doing the same thing. In 2025, we are going to have 18 megawatts sourced into the city, so if we want to turn around and look for opportunities for our customers to participate in that, we can go down that path just like Steve is doing today in Mount Dora. There are options and opportunities from a utility scale. We were not ready in solar project 1, nor were we ready in solar project 2. With the cost fluctuations, you do not know what you are going to get. Right now, they know what their price point is, they know where they are going to deliver it at. We know the term of the agreement, so now is a right time for Leesburg to venture into that utility grade solar. Again, for customers who cannot put rooftop solar on their homes but want to participate, we can do just what Steve got passed through his group. There will be opportunities down the road. **CM Minner** said he thinks everything Brad said is correct and thinks solar in the industry gets a lot more talk than actually what it provides. Utilities like to talk about their solar initiatives because it is green and because it is new people like to hear about it. We do not talk a lot about the industry or the negative sides of solar, not sure if we touched on this last time, but Jacob Williams, the GM for FMPA, will tell you we are the Sunshine State, but in Florida, solar can actually only produce about twenty to twenty-five percent of the time. Frankly, he thinks solar is problematic because at the end of the day we are headed down a direction that is kind of getting pushed towards utilities to go solar, but he thinks everybody who is in the Solar industry knows that solar is not the long-term answer because we do not produce solar panels. We do not have a background in how polluting generation of the wafer is, and remember solar panels are made in China. When you hear Brad, and the other industries, talk about numbers like Mount Dora, they are getting two megawatts of solar, that is probably less than 1% of their base. Look at our base, 1100 megawatts, and we are talking about 18 megawatts of solar. Solar gets a lot of talk and has its place in the mix, but Leesburg did not enter into the all requirements solar project one and solar project two, maybe not so much because we were not ready, but because in those time frames, the city commission did not feel like solar paid off. Bringing in solar ARP, all requirements project, solar 1 and solar 2, actually was going to increase our overall cost of power and it was not really until solar project 3 that we saw a decrease by bringing on that block of 18 megawatts. Now let me tell you what the decrease was 50 Grand and 60 million bucks, okay that was decrease, but we went forward with that because it is a green energy and it diversifies the portfolio. Long story short, solar will be around, but he thinks in 20, 30 years if we continue to look to get out of fossil fuels and go green, in 30 years whoever is sitting around this table, I do not think they are going to see solar being the base load in generation. Put all that in the mix and he just does not know.

Board member Schwartz said you talked about the rebates and the home audit program. To the best of his

knowledge, if not mistaken, the electric department does not have its own website; it has a page on the city's website. Do not believe it has its own dedicated social media platform and, other than Lakefront TV, I am wondering how you communicate those out to your customers. How can we better communicate and market that information to your 28,000 customers? **CM Minner** replied that is probably a goal we need to start looking at because we have not done that. Our experience has been more of the prolific departments if you would, prolific being the ones that people ask, talk, and really relate to the most: Police, Fire, and Recreation. Those departments kind of went out on their own and had their own staff start making their own websites. As we get more complicated with our customer base, as the graphs show, with the change in ESB and flows of the pricing that we have seen lately, this is probably something we need to start talking about doing; having more social media interaction. That is probably something this committee needs to talk about to encourage the use of social media and about how we can better relate with our customers using that. **Chairperson Morris** added maybe add an insert into the monthly bills. **CM Minner** replied, we do a little bit of that. He thinks if we do have a weakness, it is probably not good outreach.

Board member Schwartz stated that even with the emails sent out, if you are on autopay, you get an email just to confirm that payment. Maybe there is a better way to utilize those email communications as well. At the end of the day, you again have almost 28,000 people who rely on looking for ways to save money as best they possibly can and, due respect to the police and fire, there is not an awful lot I can do to change or impact that but I can impact opportunities to save money on my utility bills. **ED Chase** stated we worked with our customer service branch and so when high bill complaints come in, we asked that they direct those calls to the website for the audits, for the rebate programs, and we had a huge uptick the first nine months. He thinks we spent $10,000 on rebate costs the first nine months and in the last three months have spent about $20,000. He thinks the word is getting out and agrees we certainly can do better, but feels customer service is key to redirecting those calls over to that website.

Board member Braton stated just so he understands a little better of the dynamics, you mentioned something about Duke supplying the transmission. Where does that come in? If FMPA generates the energy, where does Duke come into that picture, from FMPA to Leesburg?
ED Chase replied that when looking at FMPA, we have what FMPA calls their east cities and west cities. East cities fall within FPL (Florida Power and Light) and the West cities fall within Duke. So, we are in with Ocala, all part of the west side. When energy is generated, most of the generation is, you know OUC has a ton, so does Lakeland and FMPA has it spread all over. So, when you generate energy out of Cane Island for Kissimmee, it ties with Duke Energy and then flows over to us. When it goes through, Duke Energy gets out of the pool, remember the pool members are Orlando, Lakeland, or FMPA, with the biggest FMPA pool member or ARP member is Kissimmee utility. Energy made in k-way territory is wheeled to Duke and there is a tariff charge for that, a transmission cost, and then it is sourced into the City of Leesburg. The wheeling takes place whenever energy is made in one area, one balancing authority, the FMPP is the balancing authority, and when it leaves that balancing authority to another there is a wheeling cost. **CM Minner** said a super quick summary on what Brad said in English, not that Brad told you anything wrong, but that was super complex. Last meeting, we talked about the stages of getting electric to your home, generation, transmission, distribution, and into your house. What this picture, referring back to the transmission distribution slide, does not show is the generation block. That is where FMPA has Cane Island 1, Cane Island 2, Stanton 1, Stanton 2, St Lucy, and all the all requirement project resources. When the turban spins it creates energy. For us to get the energy from the power plant to us, it has to get on the “highway”, I-95 which is the transmission line. Not going to say all, but I am going to say the preponderance of transmission lines in the State of Florida are going to be owned by three investor-owned utilities, FPL, Duke, and TECO. Probably TECO is the smallest. Now there are some Munis’ that have transmission voltages and that kind of stuff, but by and large, when we are transmitting on the highway electricity in the State of Florida, we are pretty much using Duke or

using FPL. Based on our region, we are Duke. So, power comes out of that power plant, it jumps on the highway, the transmission lines, Duke, so like when you are driving down 27 and you see that big giant line that is the transmission line, that is Duke coming off that line and then it goes into the substations. Around town, you see the Center sub, you are fed out of North sub, east sub right here by Cutrale, airport sub out there by 44, Picciola sub. So, this times five and then it jumps on the distribution stuff. So, like Greg sitting over there, this side of the equation to your house, it goes from the substation to the distribution system, it might be overhead or underground, then it hits the next transformer, and then it hops into your box.
Board member Braton said that was what he thought. When he watched the last meeting, he did not think Duke was mentioned specifically as a transmitter, but that is what he figured. He just wanted to make sure he had that right. **ED Chase** said Duke has what is called the 69, which is the lowest transmission, that serves pretty much customer load, that is what they connect the cities with. When we have a substation that is fed from Duke, there are multiple lines coming in, in one direction, leaving another, so if something were to fail on one side, it could be fed from the other side. Each substation, Duke has meters, and they clock exactly what we pull off the system and that is what we are charged.
CM Minner stated, keep this in mind because, this is a great picture. When we start breaking down the budget you will see the electric Department is about 90 million round number. Sixty million of that is this side of the house, transmission and generation, which is hence the all requirements because even on this side of the equation you have generation, you have wheeling, you have standby power, you have the transmission. Those are referred to as requirements, hence the name all requirement projects. So, all the requirements in generation and transmission this side of the house are bundled into a bill that the city gets on a monthly basis from FMPA, which we refer to as the power bill. **Board member Braton** stated he appreciates the information. Thank you.

Chairperson Morris asked who sets the rates on the highway for Duke and FPL. **ED Chase** answered, those are tariffs. They go back and revisit them maybe every five years. They have to go to the Public Service Commission (PSC) to get any changes on the tariff and we, FMPA, our legal team at FMPA, will participate in those discussions. We voice opinions either negative, usually it is a negative opinion anytime the prices go up, so they are set by tariffs. We know each megawatt, what is charged to go from our pool, FMPP through another pool in which, like Al said, either Duke or FPL. It is all set up in their tariffs.

Chairperson Morris stated this was good information to have and asked if there was anything else.
CM Minner replied, yeah, the first meeting just kind of broke down the whole big world. Tonight's meeting broke it down into how we manage it here locally. Basically, two sides of the house and each of them have their divisions. When you see Chris, he is kind of in the Star Wars world and if you have not, you need to visit the electric Department to see the SCADA room. Chris is everything to do with monitoring what comes in, what goes out, what is on, and what is off. The metering is critical to making sure we are measuring what comes in and what goes out, so we can bill correctly. On the other side of the house is Greg, who is making sure the transformers are working, making sure the distribution lines are up and running, and making sure your lights are on. He thinks before we start getting into the intricacies of budgets, numbers, and rate-making, those are the two things we need to talk about. At our next meeting he will start pulling out the budget and will start painting a financial picture of all those things. Because we will be using these vernaculars power generation, transmission, distribution, blah blah blah, he thought it was important to at least get that out. He will have Pam get in touch with everyone again. You know maybe the intermediate Monday or something might work out to be a pretty good one so we will try to get it scheduled for next month. Discussion ensued as to holidays and commission meetings in January, so we may skip it and hit February. On the budget stuff, we want to talk about the break down of the FMPA bill and kind of how we do the rate stabilization account, which he thinks is important. Then we can start talking about system improvements, goals, and that kind

of stuff. By that time, we will probably start weaving back into running some budget drafts as it will be March and April.

Chairperson Morris asked that the existing budget be sent to the board. **CM Minner** said he would get that out so at least we can start looking at the existing terminologies.

Board member Schwartz mentioned that it would be good to be able to get several months' worth of meetings on the calendar as opposed to going month by month. Is that possible? **Chairperson Morris** agreed, just for planning, absolutely. **CM Minner** stated he would have Pam work on that.

4. ROLL CALL:

No board members had anything further to discuss.

5. ADJOURN:

PERSONS WITH DISABILITIES NEEDING ASSISTANCE TO PARTICIPATE IN ANY OF THESE PROCEEDINGS SHOULD CONTACT THE HUMAN RESOURCES DEPARTMENT, ADA COORDINATOR, AT 728-9740, 48 HOURS IN ADVANCE OF THE MEETING.

F.S.S. 286.0105 "If a person decides to appeal any decision made by the Commission with respect to any matter considered at this meeting, they will need a record of the proceedings, and that for such purpose they may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based." The City of Leesburg does not provide this verbatim record.

Board member Braton made a motion to adjourn and Board member Schwartz seconded. The meeting adjourned at 6:12 p.m.