

**AGENDA MINUTES  
MEETING  
AGENDA  
MONDAY, OCTOBER 7, 2024 5:30 PM**

**1. CALL TO ORDER**

The City of Leesburg Electric Advisory Board held a regular meeting on Monday, October 7, 2024, 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 Timothy Morris

Board member Dan Robuck and Vice-Chair Jessy Flinn were absent. Also present were City Manager (CM) Al Minner, City Clerk (CC) J. Andi Purvis, 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. APPROVAL OF MINUTES:**

**A. Regular meeting held September 16, 2024**

Chairperson Morris asked if there were any corrections to the September 16, 2024, minutes. If not, he would entertain a motion. Board member Schwartz made a motion to approve the minutes, seconded by Board member Braton. Chairperson Morris stated all in favor to signify by saying aye, oppose same sign, Motion carried unanimously.

**3. DISCUSSION:**

**A. Metering**

CM Minner began by passing out a one-page chart, which is really all he had on the agenda. He can be as quick or as long-winded as you want, but essentially, we discussed a bunch of different stuff on budgeting going on now for a year. Kind of the next big thing on the electric department's to-do list is

that our GE contract is set to expire December 31, 2026, not quite two years from now. GE is obviously synonymous with the smart grid project. Do not know when we endeavored to do that deal; think that answer is 2011. **Chairperson Morris** asked if that was Ron Stock. **CM Minner** replied, no, that would be the Jay Evans days. Back in the day, it was typical for that time frame, when everybody in the industry kind of started going with the smart grid; kind of the new technology of that day when we left the old analog meters, if you will. You know the ones with numbers that spin, and you had to go out physically to read them each month and calculate stuff. That was the old fashioned way of doing business. Then GE came in, well not GE, but the industry came in with the smart meter, which could turn on and off your service remotely, would tell you when you were out of power or tell us when we were out of power. We got crafty with the supply side demand stuff and trying to turn your meter off or turn your electric consumption down when it got hot. We got fancy and we got really expensive too. Without looking back at the books, think it was probably around a buck or so to read a meter before GE came.

Our cost right now is \$4.88 a meter. Our GE contract is about 1.5 million a year, so you divide that by 27,000 divided by 12, and you come up with that number. That contract actually is not set to expire until December 31, 2026; however, GE probably back in March-ish kind of put us on notice to say hey if you guys want out, we want out. One of the first things I did, which is atypical, because like my first few months here, going back to December '13, was dealing with kind of the fallout of the smart grid project.

I have to be nice because we are still working with GE, so I do not know if it was as much of a GE problem as it was us biting off more than we could chew. As far as some of the things we wanted to do with metering, we probably did not have the customer base or the service that wanted those types of services. Then, when we went into the smart grid stuff, when we extended it into the supply side load management stuff with FMPA, that is really where the city started seeing some bigger losses, and we ended up in a fight with FMPA. Long story short, it was man we got to work with this GE contract. We reworked that GE contract a couple of years in, and ended up reducing some of the costs to what they are now, but then they extended a 10-year term to a 15-year term, which brought it to that December 31, 2026, deadline. Now 10 years into that deal they are saying okay we are ready to be done with this, this part of our corporation, so we have been spending probably now the last six months trying to figure out how we transition away from GE into the next company. We started off with do we need consultants.

We might have talked about that a little bit back in budget time. Brad wanted to look at some consulting and bringing them in to do a big formal RFP and short version of the story here is we have now been working for about six months with one of GE subcontractors, who is ITron. Basically, ITron is the company of GE that manages the meter. So, zip pity quick right to the bottom line answer, we will probably be rolling out, depending on what the storm does and if we get the final stuff from GE, either to the 14th or the 28th of October commission meeting. We will be running the new contracts to the commission. Basically, a contract for a seven-year deal with ITron, which basically lowers our cost of reading the meter from \$4.88 to about \$1.44 per meter. Instead of spinning upwards of 1.7 million, because once we hit a certain number on the GE contract, which was 26,000 meters, there were increases. We had flat until we hit 27,000 and then we started increasing. We have a contract from ITron that once we get it set up, is \$466,000 - \$367,000 bucks a year to read the meters for seven years. That is bottom line about a \$1.1 million dollars savings over the life of the contract. So, we will save some significant money; however, there is some upfront cost that we have to manage between now and then. We have to continue paying GE until we can transition out. **Chairperson Morris** said you have some overlap there.

**CM Minner** replied yes, that overlap is about a million bucks. We have to pay the GE contract plus an extra million before we see the savings, but we are pretty convinced that the savings and the initial upfront and transitional costs are really our best option to move into metering so that we do not have to go out and purchase 27,000 new meters. Everybody's meter is conducive, we are basically moving off to a sub-contractor of GE. The spreadsheet provided, shows kind of where we are, the top one is actually this fiscal year, so, on that first left-hand column you see the GE cost at 1.4 million, but then we have some setup costs, you see the GE costs are 1.43, 1.47, and 1.52. That is kind of the early out, they were going to charge us to drop the contract. We have been arguing with them about that and, basically, they

were like we want a couple million bucks. That went down to a million, and then went down to half a million and right now, we think it is at zero. We are waiting on a document that is supposed to come today or tomorrow. Basically, the out agreement that says okay we will let you out for zero and our response back to them is well, you called us. We did have a number in our mind as far as what we thought they were going to charge us with, you know, some internal costs, blah blah. Long story short, as of right now, that number is zero; which is why it is highlighted because that I have not seen it in writing yet, but our last conversations with them, as of last week, was okay, it is zero. The other column under ITron is the setup fee, of \$840,000 bucks; that is the first year of 500 grand and some other incremental costs, which are not super significant, and then it settles down in year two at 464. So, what this chart rolls out is kind of, in a budget format of GE costs, plus the initial cost. You see, in this fiscal year we are actually up \$672,000 bucks, then next year we are up the 458, but then we see by fiscal year '27, we see the dink decrease, and we kind of return that investment pretty darn quick by year three. Run those numbers out for the term, and it really makes a ton of sense for us to go with the ITron contract. On the docket we have got a couple of contracts from ITron that have been sitting on Grant's desk doing the legal review, and we are waiting on the GE contract to come in. That is really the high level of where we are going to move. I think metering and avoiding bidding, is a good thing. Think bidding this would be ultimately cumbersome because of the unknowns of it are a very complex bid and secondly, if we end up having to purchase new equipment. **Chairperson Morris** asked if they have an existing contract or somebody to piggy back on. **CM Minner** replied basically, we are calling this an extraordinary measure, which is in the procurement records as a reasonable way out. **Chairperson Morris** asked how many actual providers do this? **CM Minner** answered not many. There are a handful, but everyone is a little bit different. Going with ITron being the sole supplier, we do not have to go back out and start changing 27,000 meters.

**Chairperson Morris** said so, basically we are paying \$1.44 a month to lease the meter. **CM Minner** said no, the half a grand a year is a software cost; it is managing the software, meters run about \$300 bucks a crack. **Chairperson Morris** inquired if they were ours. **CM Minner** responded those are ours. We go out and try to change those out every year and that number has gone up with inflation, like everything else, but that is the typical cost. That meter sticks in your meter base for three to five years, and we change it out. That meter is a separate cost, so this is really more of the software cost of working with ITron. When the meters chirp their numbers go into the program, we come back, figure out the kilowatts, and then we convert it into your bill. **Board member Braton** said that is all the maintenance of this system and everything. **CM Minner** said yes, and knock-on wood, it should be a super smooth transition. The transitional costs are the hiccup, but in the long term it should save some significant funds for the electric department. **Board member Schwartz** asked if the number is based on their belief that you are not going to bid it out, so they are basically kind of calling their shot. Is there any negotiation there? **CM Minner** answered there was a little negotiation there. It was his concern that man we are getting taken, so I had a number in mind where I thought you would want to be. I was really like no greater than a million and a half or a million and a quarter, so when their number came in at that, it was pretty much a pre-GE number to read meters. When we calculated that with everything else, it is a no-brainer and that was the collective thought of the group. The heads that were in on this were Tino Anthony, our IT director, as there are a lot of interconnects with Tino and the utility departments because everything goes software and the IT side for billing purposes. Brad, and Alan Irwin, lead of our meter shop, and Jim Williams. Really, the group felt like this was the number, this is the way to go and that it is almost back to the fiscal year '11 number. **Board member Schwartz** said the software is proprietary, is that really what the issue is, as far as being able to access the information from the reader. You have to use their software to be able to do it. **CM Minner** replied he did not know the answer to that, so going to say probably. **Board member Schwartz** said but the software and the meters are all related, so again, all driven with, they are kind of a part of GE already. If you own the hardware, what are you paying for? **CM Minner** said paying for the software and the maintenance to run it. **Board member Schwartz** said

that is what he was asking. So, you are stuck with the software to go with the hardware that you have already invested in. **CM Minner** replied yes. **Board member Schwartz** asked what happens in seven years? **CM Minner** stated we will probably do the process again two years in, and figure out if this is where we want to stay, see what changes are in the market, and go out and do it again. His guess, with a crystal ball, would be if these numbers stay where they are and everything is smooth and easy, he would see us with ITron again, but that is seven years. **Board member Schwartz** mentioned that seven years is a long time for technology. **Chairperson Morris** asked what if you did a five-year contract with two rollover periods or a four-year contract with three rollover periods? Just a suggestion, because we do contracts like that all the time. **CM Minner** said we thought about going shorter too, but we also like the number. **Chairperson Morris** said it gives them time to go up. **Board member Braton** asked if they are using the same software you are currently using and if they are currently subcontracting for GE. **CM Minner** responded yes, we had to get GE's permission to talk with ITron. **Board member Braton** asked if they were going to have access to the updates of the software and everything like that. **CM Minner** said had already talked about that, yes. **Board member Braton** said he meant those were the things he would think through, like when the software upgrades, is this company going to be able to do it or are you going to be stuck with ITron 1.0 when everything else has moved on to two and three or the 4.0 version. **Board member Schwartz** said, well, if GE is getting out of this business, does that mean ITron is the one that is going to be responsible for those updates, for those patches? **CM Minner** responded yes. **Board member Schwartz** said they have those capabilities; I mean they are a subcontractor doing that right now for GE. **CM Minner** said pretty much. **Board member Braton** said if push comes to shove, you can ride the same system for seven years without upgrades. If need be, you just may not have all the bells and whistles. It is not going to cease to perform. **CM Minner** agreed, that is the plan. **Board member Schwartz** asked, would that number fluctuate as you grow number of customers. **CM Minner** replied no, it was a fixed number. **Chairperson Morris** asked it is a fixed number per? **CM Minner** responded for the seven years. **Chairperson Morris** said at \$1.44 per meter. **CM Minner** replied yes, at \$1.44 per meter.

Chairperson Morris asked if there were any further questions. There were none.

Chairperson Morris asked when our next meeting is. **CM Minner** said we should be back on schedule, so the next meeting would be November 4th.

#### 4. ROLL CALL:

**Board member Braton** had nothing.

**Board member Schwartz** inquired about the city's preparation for Hurricane Milton or anything we should know about preparation for the next couple of days. The City did a pretty good job when Helene rolled through, but that was not the same. **CM Minner** replied that he thinks this one is going to be a little trickier. All indications are we are going to get a pretty good storm. You have all been watching The Weather Channel too, so you know what is coming. Typically, our preparations, Citywide, are making sure we are in touch with our debris contractors, which we are, so on our debris side it is really just prepping. Making sure we have some extra help, and then we haul everything to the landfill, where we will get a permit to burn it, which lowers the cost a little bit. Making sure everything is fueled up, making sure there are supplies as far as food and those type of things for the crews, which is big on the electric side. Just getting everything ready. You know the magic number is 40 mph. The crews will stay out on the electric side hooking people up until that 40 miles an hour and then once that number hits, they go inside and bunker down. There is nothing we can do until the storm passes. We will respond to the public through the website and on social media. We will keep track of what outages are, try to put up kind of a list of priority areas using the website and social media, so people have an idea of where the

crews are, what the priorities are. That will take us a little bit of time, eight hours or so to prepare because there will be assessments after the storm and then prioritize in ranking. The priorities are really super simple. It is getting the primary circuits back up first hospital, governmental units, those types of things and then, working our way down there from there. Then it is minimal work, maximum on. If we have one Transformer out at the end of the line, and it is one house, now they are going to be last if we have a Transformer that gets 20 people up, so that is how we will prioritize the work on the priority circuits. Probably the worst part of this storm is because it is on the heels of Helene. We are having some trouble with Mutual Aid, so that might be slow. Actually, right before the meeting, Brad sent me a text that there was a FMEA crew out of North Carolina, a crew of eight. That is not a big number, but it is what we are able to put our hands on right now. We are having some of the same issues too with pickup of debris. We have three contracts, cannot tell you their names, but we have three contracts that we go to and many of those folks have been busy, so the response on the heels of the other major storm is probably going to be the other biggest issue. Other than that, hunker down and stay safe. If you do have any questions about service or whatever you have my number; do not hesitate to call me. I will get you the updates as fast as possible, and we will work on social media as well. **Board member Schwartz** said that, typically, if the power goes down, computers and the internet are going to be too. It may be very difficult to access that kind of information, but cells tend to hold up better to use social media. Not sure how the website is mobile compatible. **CM Minner** mentioned that as far as outages go, we are going to know you are out, but it is good to call that in. **Board member Schwartz** said as far as communicating, what he is saying is that it is going to be better to communicate on a social media platform, so it is more accessible to people than the website. **CM Minner** agreed. **Board member Schwartz** wished everyone good luck; make us proud.

**Chairperson Morris** had no further comment.

**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.**

With a motion to adjourn made by Board member Schwartz and seconded by Board member Braton, the meeting adjourned at 5:52 p.m.