

**ELECTRIC ADVISORY BOARD
MEETING
AGENDA
MONDAY, MAY 5, 2025 5:30 PM**

1. CALL TO ORDER

INVOCATION

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

2. APPROVAL OF MINUTES:

A. Regular meeting held April 7, 2025

3. PRESENTATIONS:

A. Fiscal Year 2025-26 Budget

4. ROLL CALL:

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.

**AGENDA MINUTES
ELECTRIC ADVISORY BOARD
MONDAY, APRIL 7, 2025 5:30 PM**

1. CALL TO ORDER

The City of Leesburg Electric Advisory Board held a regular meeting on Monday, April 7, 2025, at Leesburg City Hall. Chairperson Braton called the meeting to order at 5:30 p.m. with the following members present:

Board Member Bethany Burge-Bosbous
Vice-Chair Marc Schwartz
Chairperson Jack Braton

Board members Amanda McLea and Mike Rankin were absent. Also, present were City Manager (CM) Al Minner, Deputy City Clerk (DCC) Anna Rottermond, the news media, and others.

INVOCATION

Chairperson Braton 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:

Chairperson Braton asked if there were any corrections to the March 17, 2025, minutes. If not, he would entertain a motion. Board member Schwartz made a motion to approve the minutes, seconded by Board member Burge-Bosbous. Chairperson Braton stated all in favor to signify by saying aye, oppose the same sign. Motion carried unanimously.

A. Regular meeting held March 17, 2025

3. DISCUSSION / PRESENTATIONS:

A. Electric: 101

CM Minner stated, as promised, this is the famous electric 101 stuff again and as we move into the budget process everybody will have a concept of the stuff we are talking about because obviously the electric department is pretty complex here for the city. At least two of you have sat here, so, this will

enable you all now to ridicule Mike and Amanda for not being here because we have one third of the new folks. This is the only thing on the agenda tonight and next month we will start delving into the budget process and that kind of stuff.

So, first in the United States there are three organizations that provide electric power to businesses and our residences, and those are investor-owned utilities, municipal owned utilities, and cooperative utilities. Wherever you are in the United States you are going to be buying power from one of those three entities. Investor-owned utilities probably make up about 70% at least in Florida and probably pretty close to that nationwide. Of all the power sold in the United States, investor-owned utilities are for-profit organizations where profits go to their shareholders. Their models are a little bit different than ours; they are purely in the business to make money. Do not know if they will say that is their number one goal, but when you are a capitalist and you are in business you want to make money and he says that without any judgment. Their goal is to make money and of course they want to provide a good product, they want to work safe, they want to be competitive, so, we all have that in common, but there is a big disparity, he thinks, in the way we approach the businesses, between purely a profit driven business versus a pure business like us. Municipal utilities and cooperative utilities are similar creatures but slightly different. Cooperative utilities, kind of born out of the same want during the 1920's and electrification of the United States where investor-owned utilities would not provide utilities in the urban areas because there was not a profit motive. It was hard to extend wire and infrastructure to generate for a smaller group of businesses and households. Major areas in the United States did not get developed and who did develop those areas were municipals or co-ops. The difference is we are not motive, not profit driven, we provide the same product as an investor-owned utility and we are probably splitting the rest of the customer base in half at 15% typically for a co-op and about 15% municipal. Municipal owned utilities are either typically run by a city commission or an authority. There are certain co-ops in or certain munis in the state of Florida that you will hear the bigger municipal utilities like JEA, Jacksonville Electric Authority, OUC, Orlando Utility Commission, and KUA, Kissimmee Utility Authority, where those are authority driven organizations. The city commissions or the governing body in those entities have typically appointed a board like yourselves, but the difference in that is the city has ultimately given the keys, if you will, to the authority to manage the system in terms of rate making policy, capital improvement projects, all those types of things and at the end of the day what the city garners back and, the biggest difference between investor owned and municipal utilities, is the dividend. In an investor-owned or IOU those dividends go to shareholders. In a municipal electric utility those dividends typically come back to the cities in the form of what we call a transfer or a PILOT, Payment in Lieu of Taxes. If you look at the charter of OUC for example they have a specific PILOT so it is rated on a specific amount, payment in lieu of taxes. We are a transfer-based organization so, in our charter we have limited our transfer to 6%. Six percent of electric revenues are transferred into the general fund for the use of the public that comes back in providing the general services of the city. Services of the city, police and fire are the lion share of pretty much any municipal corporation or county for that matter, it is probably the number one thing we do. It is fair to say that those transfers help fund police and fire, they also go to different capital improvement projects and those types of things.

Then we jump down to co-ops, that pretty much look like us with two different variations. They do not have a dividend or transfer those monies or surpluses that they have, what is typically kept they call amongst the members and then they share those highs or lows with additions or delete credits or debits on your utility account. Close to home, everybody has heard of SECO, Sumpter Electric Co-op, that is probably the biggest co-op in the state. They call those hot bucks. If you have friends or neighbors on SECO, they have hot bucks and they give a credit and that is kind of their dividend that they share and all co-ops share that in the United States. The next biggest derivative of a co-op is they have an elected board or a body that the members hire. So, if you are on SECO or Clay, or name the co-op you want to inject, they elect their board members like we elect our city commissioners. That pretty much is the

rudimentary difference between the three and you will hear us refer to those often IOUs, co-ops, and cities.

Moving into how we get our power and how things are broken down, he stated that, specifically, here in Leesburg, the first way you get your electricity is you have to have a generation source. Generation comes in all forms of different models and typically generation, unless you get into green energies, everything is a fuel-based energy product like gas, oil, diesel, nuclear, and coal. Those are all fuel-based generation. So, we make heat, we mix it with water that makes steam, it turns the turbine and the turbine is big copper reels spinning together that make electricity. So, 80 to 85% of all your energy, no matter who sells it to you, no matter what they are saying about how they love solar or green energy, we are all fuel dependent. Then there are arguments on what fuel is better here in Florida. Probably about 75 to 70% of all your electricity, whether it is from FPL, an IOU, SECO, a co-op, or the city of Leesburg, comes from natural gas. Florida is probably one of the biggest states in the union where natural gas is our primary source of energy and probably up until recently, much of the transfers from nuclear and coal shifted over to natural gas. The Biden administration in 2020 to 2024 probably was the biggest administration who started trying to shift away from natural gas and go to green sources as hydroelectric. Hydroelectric is build a dam the water comes down, the water spins the turbine windmill instead of those type of things, the wind spins the fan, and the fan spins the turbines.

Then we get into different stuff like Solar. Solar energy makes electricity on its own, wind biofuels all sorts of other stuff and those are kind of seen as green and renewables. For this purpose, he puts a big dividing line between fuel based and green based and while every utility investor-owned, co-op, or city alike we talk a lot about fuel mix and diversification, which is important. We put a lot of stress or emphasis on green energy and if we are being direct and candid, nobody in the electric industry likes the green stuff. We say we do and we make you think we do, but really at the end of the day green is inefficient and does not return value as much as fuel. It is cumbersome to make and it does not really provide the source of energy that we need. Do not know what our total national load is, it is in the gigawatt's times whatever, but the amount of electricity that we need for our consumption nationwide is humongous and those green sources just do not have the value there to shift. You will hear different utilities shifting, beating up on GRU a little bit, OUC talks about it, we all talk about going green and going solar by 2050, but he thinks that is more of a talking point than an actual reality. Utilities that have tried to go green, you have seen their prices go up versus folks who are still fuel dependent. Classic example, with our wholesale supplier the Florida Municipal Power Agency (FMPPA), we have even canceled our last solar project. Those are the types of generation and that is the root of everything we do, we have to make energy first.

In the next chart, he showed the four sections of how power gets to our customers. The first one is generation, so over at whatever plant you drive by or whatever source you see the generation plants spinning the turbines or green making whatever, you have energy. That energy is then distributed into transmission lines which is like the highway, so that is the I-4 or the I-95 of the electric business. We have to send high transmission, high voltage power out to different locations, but that energy is at such a voltage that you cannot consume it at your house; it will blow stuff up. We then have to downgrade that to what we call a distribution system. It goes from the generation plant to the grid and you will hear it referred to as transmission, high voltage and then we downgrade it at a substation to a distribution voltage. Then the same with transmission to distribution, that voltage is still too high for customers to use, plug into a transmission, a distribution voltage, and you are going to burn up your hair dryer or burn up your TV. What we need is even a lower voltage and you see where it comes out at the generation plants, at 12 KV, that is 12,000 kilovolts to transmission which is typically, 400 kilovolts to 69 kilovolt and 69 is the low end of transmission and then on the distribution side we are at 13,000 or 2,400. We go from distribution, hit another transformer and then we go to your house where you use the lower 240

volt. What you probably hear in storms or the bang in the night is typically a transformer that blows up going from the distribution voltage to your house voltage.

In Leesburg, we buy all of our power from the Florida Municipal Power Agency. FMPA is a joint action agency that was formed back in the early '70s, maybe '68. If you ever have to guess about when something was formed in Florida guess 1968 because that is when the constitution of the state really changed from the early time to nowadays and we still refer to that date has pretty significant. Statutes and everything the basis of all that is legal in those big giant law books, so 1968 is the magic date as far as the parameters of how we govern electric distribution, transmission, and all that stuff. So, FMPA was formed shortly after that, do not think it was a coincidence, but long story short FMPA is our joint action agency. There are 48 municipal electric utilities throughout the state and FMPA represents some of them. We have two joint action agencies the FMPA, Florida Municipal Power Agency, and the other is FMEA, Florida Municipal Electric Agency, kind of brothers and sisters, but they do two totally different things.

You will hear us mention those acronyms, FMPA and FMEA, they just roll off our tongues. The difference is FMPA is a power supplier, so all things that associate with generation and transmission and generation transmission are FMPA and all things that are legal, advocacy or lobbying are FMEA. When the state legislature picks on us, we typically pick up the phone and call FMEA, which is led by Amy Zubaly, the general manager of FMEA, based in Tallahassee. Then when you want to pick up your phone and complain about your electric rates, you call FMPA and talk to Jacob Williams the general manager of FMPA. FMPA is very active with FMEA, do not want to say it is redundant, but our interest as an individual city with legislation or with things that happen that govern also affect FMPA.

Specifically, FMPA was organized to provide what we call projects and projects are the generation source. FMPA has a number of projects, think their number is eight and they call them by title St. Lucy 1, St. Lucy 2 that was a specific project where there was a need for energy from cities. FMPA organized, Hey, let's build a power plant and St Lucy was born or the Stanton projects. The flagship project of FMPA is called the all-requirements project, which Leesburg is a member. The all-requirements, and we refer to it as the FMPA ARP, again throwing acronyms at you. ARP is the flagship of FMPA because it incorporates 13 other members, about a quarter of their members, and it provides all their requirements. When we talk about the generation and transmission portion of providing electricity there are several requirements that you need, generation, you need spinning reserves, you do all sorts of stuff on the generation side that is bundled into your bill. At the end of the day, our bill right now is 132.94 and we measure every thousand kilowatts. The first thousand is typically, the ruler for every utility, and what do you sell the first thousand kilowatts of residential electricity for; our number is 132.94. When you get that bill your generation cost is in there, your transmission cost is in there, your customer service cost is in there and those things are all wrapped up in that bill, so, there are a bunch of different requirements in that bill. The city is a member of the ARP and what we have to do to get to the distribution and utilization is we have to buy all these requirements. We have to buy our transmission, we have to buy our generation, and we look to FMPA to do that for us and the city of Leesburg has done that since the early '80s. We have been a member of the all-requirements project early since its inception. FMPA ARP that is our generation, our transmission, those are all those requirements. The budget book you see around the city, large budget book, is about \$200 million and there is one line in there that is our wholesale line, our bill from the FMPA ARP and think we are running about 55 million. A quarter of that book, one line, one page, one number is 25% of the whole book and that is all requirements associated with generation and transmission. In Leesburg we use FMPA to buy and transmit energy.

Then we break down from the transmission side to the distribution side. Great example, if you drive down US 27 you see the big giant poles, those are the Duke transmission lines that feed the city of Leesburg. Energy comes off that transmission line, the big giant ones, and it goes into our substations. We have five in the city of Leesburg. We call one the north substation up by Lewis Road, we have the center substation, which is across the street from the Baptist Church on US 27 off center street, we have

the east sub, not sure why we call it east sub, the one that used to be by Cutrale. You probably saw on Facebook when it caught on fire about a year ago that was east sub. Next, we have the airport sub, which is actually out on 44 by Treasure Trove and the Picciola sub which is right there behind the CVS. We have one on the books where we purchased some property next to Pembroke Pines for the sixth substation, but that one is still in the works because load issues just have not risen high enough yet, although we are getting there. To build a substation, rough number, \$5 million and typically there are two transformers in substations so we come off what they call the high side to transmission side into the transformers and then that downgrades to our 13,000 volts that goes into our distribution system. In the distribution system we have 25 different circuits and the math is about five circuits per sub that breaks out and serves everybody. So, after we go distribution voltage, we hit the transformers and again, you see that either with the pole mount transformers or if we have an underground circuit, you see a pad mount or big green or black box sitting on the ground. In electric speak after we go from the substation to distribution lines, we call that the primary system or distribution voltage synonyms so, you will hear the electric guys typically call it feeders or primaries and then when we hit the next transformer that goes into your house and then we have the secondary voltage. Typically, a wire that goes from a transformer to your house or underground up through a conduit and into your weather head, which can be on the roof looks like a woodpecker with wires going into it or underground and then it comes up your house typically, by your garage. **Board member Burge-Bosbous** asked if all new construction is going to be underground. **CM Minner** replied typically, yes. To run all that side, we have about 49 employees in the electric department, and just for comparison the city of Leesburg has about 525 total employees, so 50 of them are electric. We have 27,854 customers and we serve four distinct areas that your composition of this board tries too capsule. We have about 13,000 city customers, about 9,500 unincorporated Lake County customers, about 4,500 Fruitland Park customers and then the Sumter County customers, at this point, about a thousand and those are The Villages of Catherine.

On this note, it is probably a good place to say that all the state of Florida is regulated as far as who serves what or where and if you change a territory, typically done in virgin areas where there is no service, so, while all the state has territorial maps that are approved by the Florida Public Service Commission everybody knows where they are going to serve. There are actually still a few spots where it is in somebody's territory but there is not service to it. On occasion we find that our territories are not quite efficient, meaning one provider could probably provide it better, meaning there is not redundancy, less system to build, easier to provide access to one utility or another so on occasion you will see utilities capitulate and say okay we should trade territories because it makes sense. When we took on those 935 customers in The Villages, The Villages was actually the impetus of that change because they wanted The Villages to be set up in more cohesive blocks so, that their individual residents would have the same supplier versus this side of the street is utility A and that side of the street is utility B. They actually approached us and Duke to say "You guys need to flip-flop." So, we did the territorial trade and The Villages of West Lake, which used to be our electric territory was traded to The Villages, think that was about 2017. So, we flip-flopped, we took a section of Duke Territory in Sumter County and they took our territory because in this case there was a little bit of economics for the utilities. It was probably a little bit easier for us to reach the Villages of Catherine because actually our service in that area comes from the north and we were immediately there. Duke came from the south so maybe a little bit easier utility-wise to service it, but the real push here was from The Villages. He pointed out that what is interesting is that about 60% of our customers are outside the city limits. Pushing on as different utilities have functioned differently, attention has been paid by the state legislature to these types of issues. The outside - inside customer has become a real talking point among our state legislators and representation of rate making gets a lot of talk these days also.

He will continually argue that even though we have 60% of our customers outside city limits, who do not have a direct voice, meaning an elected official who represents them, our unincorporated residents,

through this body and through just the natural local policy politics, still have a significant amount of influence in rate making. Though it is not directly elected versus the model that investor-owned utilities will say, which is the public service commission. The public service commission is appointed by the governor and there are five members that represent seven to nine million elected customers where here we have five elected officials. Chances are you know the elected officials; chances are you have their phone number in your cell phone and if you have an issue you are going to be calling them. You have direct access to the CEO of the utility, you pretty much have direct access to the electric director, so even though on paper, they are not elected, you have significant influence. You probably see that a lot, maybe not so much in rate making, but when storm times come and your circuits are down, he thinks our customers are getting a lot more information, have a lot more influence than the IOU PSC way. He does not think that is accepted for a couple of reasons. The investor-owned utilities are very lobbyist centric; they have a lot of political capital and they use that political capital, will say that without judgment, and it is a complex topic. When you have state legislators who go to Tallahassee to do all sorts of stuff, he would not say there are too many of them versed in the electric industry, so then that puts a crutch on that legislator to listen to lobbyists or listen to the influence on where the checks are coming from. That is what is different about our system because when you yell at your city commissioner, whether you are inside or outside the city limits, you are meeting them at Walmart, meeting them at Publix, see them at ball games, that has a lot more influence. So, our service system, that 27,000 on five versus 9 million on five has a lot more representation.

Our O and M budget (Operational Maintenance) is about 7.9 million. Our capital budget is about 3.2 and our bulk energy, there is a bulk energy purchase from FMPA, which Brad put in there, adjusted for gas that is 66 million. Think that number is a tick high but to answer the question of what is our percentage of overhead versus underground, that answer is about 33% of our system is overhead and about 67% is underground. That is a pretty high number overhead underground meaning we have per capita probably a lot more undergrounded-utilities than overhead. When new systems go in, especially on the residential subdivision side, they are going in underground. Our system expansion, when talking feeders or distribution lines, still overhead a little bit but we do take time when it makes sense to go underground. Real brief synopsis on that while we are at this stage, if you ask any line or journeyman what they would rather work on overhead or underground, their answer is going to be overhead. Statistics will show that overhead and underground outages are about the same, maybe a little bit of an edge to underground, it does not go out as quick as overhead, but the restoration time is the big difference. When folks can get out there to see wires down or see that broken pole or see that a fuse is blown, the restoration time is a lot quicker versus underground where we have to do much more troubleshooting. What lags behind is while maybe you get a little bit more reliability from underground, you do not get the fix as fast and then when you put all that into dollar and cents, overhead still really has its place. Also, too, if you have good tree trimming policies and keep mother nature away from your overhead lines, even here in central Florida, we do not typically see those cat four or five type crazy wind storms. We see a big storm of 100 plus mile per hour winds generally the cat one type of variety you know your overhead systems can sustain that if you have cut your trees back and do not have stuff falling into your lines. So, when you put everything together probably, we like underground better because what it provides you is the esthetics, the out of sight, out of mind. It looks cool, but he would still argue that overhead is more functional and costs less, although the numbers these days are getting pretty nip and tuck on overhead - underground.

Board member Schwartz, stated going back a slide, asked with the number of homes, how do you see the number of customers changing? Let's say the next three to five years based on what is on the books or dirt that has been committed, but construction has not begun yet. What does 27-28 look like? **CM Minner** replied that he sees our unincorporated non-city customer base growing. Showing the electric service area slide, he said this is our electric territory box. The green color is Leesburg proper and the brown is Fruitland Park. With all the growth talk, you hear that Leesburg is busting at the seams, we

have all this crazy growth going on for our electric system, but from his perspective, he thinks you see it up in the Fruitland Park sector, where we have grown the most. The other area of growth that we have in here where we are just starting to see it, are the little green boxes of Treasure Trove, Silver Lake Point or Silver Lake Estates, the old golf course that was the Robuck Oslander, the one at Jackson Road and Radio Road. That growth, what he calls that northwest corner is happening, but it has not been, he does not think, as fast as the growth in Fruitland Park. When you hear most of the chatter about Leesburg growth, it is happening in south Leesburg. We hear the talk about and not even on the map for our electric territory (still using the Electric Service Area slide). This red line is roughly where 33 and 27 split, so when you get to that point you are outside the city's electric territory and you are now in Duke land. Duke has kind of bands, but then as soon as you kind of get down to Arlington Ridge, Legacy, the band of SECO comes in. So, all the growth you hear about Whispering Hills, BarKey, Blue Cedar, Hodges, Anthony that is probably the lion share of where we are seeing that Leesburg will grow the fastest, but it is not in our territory. Crystal ball 2035 or 2040 he could see Leesburg at 35 to 40,000 people and if you have a city of 35 to 40,000 split it in halfish and that is what you have for electric customers. Maybe we peak out at 30 - 35,000 electric customers, think that is a big number, but we will have even more growth in the south. There is a big chunk of the city limits down south and the interesting thing for us, which is a dynamic and another reason we did a couple of things, the redistricting and as well as the charter amendments to have the supermajority vote to sell an enterprise fund. An enterprise fund is your utility funds water, sewer, electric, and gas. If we would ever contemplate selling those, we want a super majority vote, because with our five districts, we could in the future have two or three city commissioners who are not on our electric system, who are involved with rate policy, so that is an interesting dynamic. Right now, we have five city commissioners, four are on the system and one is not so as that growth dynamic change, he thinks we will probably be a pretty unique municipal utility in that there could be two or three commissioners who are from south Leesburg in SECO territory versus Leesburg territory. That is the dynamic we need to watch for. Could make the city manager's job and the electric director's job harder because you will have folks who might be calling shots on rate making that are not on the system. He thinks that is why this body, as we grow into this role of having the electric advisory board, maybe there comes a time where Leesburg Electric operates more as an authority fashion.

We laid out the generation, the transmission, the distribution, so just to hit some names and faces, the operations center is Tony Utsler, and that is located on Griffin Road. We talk about monitors, and we have the smart meters, typically we will know when your power goes out before you do and hopefully, before people start calling us, we already have crews dispatched. Chris is over that as well so, Tony reports to Chris Atkins, deputy director for operations. The next one is metering, Eugene Arnold, is our meter supervisor. Operations talks about keeping the monitoring, metering talks about measuring all the consumption. Think there is only two or three guys that department, but that is obviously super critical because that measures the flow and consumption, a large part of what we do. Service planning is under Steve Davis, which goes back to the questions about underground - overhead. Steve is our system planner so every time we add on to the system or hook in a major new service, Steve reviews that making sure the lines are coming up with a design on what kind of voltages are needed. The next phase is substation maintenance, Dixie Cleveland, so that gets back to when we go from transmission voltage to distribution voltage. We have a group of folks who manage and maintain all the substations. Distribution and construction, is Greg David so that is when you think of alignment, the guys out on the poles hooking stuff up after the storms. Greg's department is making sure the power is flowing and the poles are up versus Steve designing systems. Contract administration is a smaller part of the house, but we have a few contracts on tree trimming and undergrounding utilities. When we are putting in underground, we will go to a company who will put in conduit and then Greg's folks will typically come back and feed it. So, contracting, tree trimming, undergrounding conduit are big contract expenses.

The big takeaway here is as we move forward in the year the types of providers, investor owned, municipals, and co-ops and their differences, the territorial issues, that were all regulated in a certain area to serve the relationship of who is making rates and how that affects us. Then the divisions of the service generation, transmission, and distribution, those are the big pieces. Hopefully when you have that in your head as we go through and talk about rate structure and those type of things you have that basic background.

Board member Schwartz said not a political conversation, but will tariffs influence the generation of power? Assuming it will probably have an effect potentially on equipment and things like that, but as far as the generation of power, might tariffs have any impact on that, that might trickle down to the homeowner at some point? **CM Minner** replied the broad answer is yes because the steel, the copper, the wires, and all the things that go into making power plants are going to be affected by tariffs. The thing that probably puts that in question is probably some of the executive orders that the Trump administration has passed right out of the box going back more towards fossil fuel types of energy versus green energy, but even on the green energy side you know there were different costs. For example, there is really not a solar panel made in the United States and he does not think most people know that. The other thing he thinks most people do not know is producing that solar wafer is really a dirty industry and we do not see it that much in the US because they are not made here. So, yeah, he thinks tariffs will have an effect and, on that note, too, there is a lot more talk about going back more to nuclear type of energies in the future. You kind of see 30-year maybe 40-year blocks on how we have gone, like in the '70s we love nuclear until Chernobyl and Three Mile Island and then everybody wanted to go away from that. Then the coal and nuclear kind of thing and people did not like coal because coal was dirty and nuclear was radioactive and that really ushered in by 2000 kind of the shifting of those fuels to the gas fuels. Everybody in the early 2000s really went gas heavy and you saw the kind of what he calls the first blip around 2005 when natural gas typically hung out around \$2 a dekatherm to buy. Then when everybody was going gas in early 2000 you saw that first spike go up to \$15 a dekatherm, and everybody thought the world was going to blow up, but the price leveled out and the world kind of stayed the same. Then the Obama and Biden administrations kind of started saying gas was bad and maybe not so much from a CEO standpoint, but from a heat index, so even though natural gas did not have the knocks that maybe coal fire did, it still puts off a heat in the atmosphere and that is a greenhouse gas. He thinks we are going to start seeing some of that roll back and forth. Since he has been in the business, say '97, what we see is kind of each presidency change broad perspectives; we start going one way and then every four or eight years that direction changes. We had one, Bush, who started holding on to some of the older coal fire plants. Clinton was starting to phase out and go to gas, Bush got elected, we held on to Big Ben a little bit longer, but by the time Obama came in you started seeing more shift going to gas until Biden. Then gas was deemed bad, but you had the interruption of Trump in there right between Biden and Obama and he kind of went back from green to fossil fuels and now we see it starting over again. He thinks where the industry suffered is we have had stop go, stop go, stop go, whichever side of the equation you are on and that has been bad for planning, but probably in the last four years or so, he thinks we see nuclear starting to come back. About two years ago, was probably that first big test where they kind of figured out, oh, we can make nuclear fusion work. When do we see that in bulk, probably not for another 20 years so, what is going to bridge the gap between now and then; probably we go back to gas? We will flirt with the green stuff, but personally, he does not think green is really practical because as we see it go into implementation an acre of ground, of an acre of solar panels gets you maybe five megawatts. Our system, when we peak out, think our new peak is like 125 so, do the math on that; there is not enough ground. Then the other part when talking about solar, we are the sunshine state, but we only get solar energy in Florida 20% of the time. When we need it the most, it is not producing so that is why these things are problems. He is surprised at how the Biden administration was so connected to that because he thinks there is a lot of minds around that, and he is not advocating we pollute the earth, but is advocating that he does not think we have done our homework on really finding the right energy source for the future and

sticking with it.

Kind of shadows to come. Our budget process again is coming up so we will talk agnosium breaking down the budget and talk about rate making. The power cost adjustment, thinks we talked about it a little bit last time, and we will talk about that a little more. Obviously, the power cost adjustment went up this month but you also see some press releases coming out where FPL is going up, Duke was up and SECO just announced a 12% increase. He does not say that with glee, but says it as more of an I told you so, do not yell at us, it is not us here at city hall messing with your rates, it is the industry and where the industry has really seen effects is on this back and forth of the fuel sources. In the 2000's we really saw inflation hit the industry. Back in 2019 a transformer cost 1,500 bucks and now a transformer cost 3,500 bucks, so almost everything has doubled. Our utility, not including the power cost adjustment, has not increased our base rate, so unfortunately, he does see a base rate coming up. The electric department has shown some signs of life with trying to squirrel away a little bit of cash so, we will talk about those kinds of things and balance how much cash we want to have versus where we want our rate to be. Then we will talk about trade-offs too, we did that a lot last year with one of the big things we talked about is hey can we have a big bells and whistles system, where we have this immediate notification system. We talked a lot about that but those systems are really expensive and IT laden and increase our costs. One of the feedbacks that we got from Duke was you know they have a great system as far as notifications, but really when you break down into it, they set that bar so high and the complaints we received from Duke have been oh yeah, we got notified in a minute that our power was going to be out, but they told us it was going to be out for three days. So, high expensive system, but then they set the bar so unreasonable that it does not help you and honestly, understandably so because sometimes it is difficult to troubleshoot that stuff. He thinks that is another area where we do a little bit better in the job because we have a smaller system, more people per land mile, so we can give you better estimates. We do better in storms, but all those other bells and whistles, at the end of the day, we really start cutting down on the automated type of formational dissemination because we have been doing it the old-fashioned way here, and that saves you when you go pay your bill. He is sure we will have all those discussions and ultimately it is his hope that by the time we roll to October first we will hopefully see a roll back of the power cost adjustment and an increase in the base rate. Another reason for two and a half versus two and a quarter so that maybe those things offset. What the difference there is if that fuel cost money is going directly into the pot for fuel only, where we see the utility struggling, where we could use some improvement is to have a little bit more cash on hand and so it is kind of that balance that we will talk about a lot this summer.

4. ROLL CALL:

Board members had nothing 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.

The meeting adjourned at 6:27 p.m.