

**ELECTRIC ADVISORY BOARD
MEETING
AGENDA
MONDAY, MARCH 2, 2026 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 December 1, 2025

3. DISCUSSION / PRESENTATION:

A. Bulk Power Cost Adjustment Update

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.

**ELECTRIC ADVISORY BOARD MINUTES
MEETING
AGENDA
MONDAY, DECEMBER 1, 2025 5:30 PM**

1. CALL TO ORDER

The City of Leesburg Electric Advisory Board held a regular meeting on Monday, December 1, 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
Board Member Amanda McLea
Vice-Chair Marc Schwartz
Chairperson Jack Braton

Board member Mike Rankin was absent. City Manager Al Minner was also absent. Present were Electric Director (ED) Brad Chase, Finance Director (FD) Paul Austin, Electric Deputy Director (EDD) Chris Adkins, Electric Meter Supervisor (EMS) Arnold Eugene, City Clerk (CC) J. Andi Purvis, 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:

A. Regular meeting held September 15, 2025

Chairperson Braton asked if there were any corrections to the September 15, 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 same sign, Motion carried unanimously.

3. DISCUSSION / PRESENTATION:

Chairperson Braton said there are three presentations this evening, and turned the meeting over to Electric Director (ED) Brad Chase. ED Chase stated he would handle the meter change out program, Chris Adkins, our Electric System Operation Manager (ESOM), will talk about the maintenance grant application process and where we are with that and then Paul Austin, our Finance Director (FD), will

wrap it up with the bulk power cost adjustments.

A. Meter Change Out Program

ED Chase said what we have today is the meter upgrade project, the project plan, the impact to the budget, a little background on the AMI system, how we are communicating with our customers, and then the exchange process itself.

The project plan is to change out about 20,000 meters. We want to ensure a safe and reliable electric system. We have what we would call first generation meters that were installed around 2012 when the city began its AMI adventure, and we will go over the nuances of that program. But again, the idea, from a customer's perspective, is that these meters are not failing, they have reached their end of useful life, and before they fail, we go ahead and exchange them.

There is a little nuance in there that we are dealing with meters where the display has gone out, and when the display goes out, the customer service reps get a notification, because they are unable to remotely send that data back to the head-end system. So, they get the first cue that there is something amiss and that falls under a meter replacement. That is different from this program. This program is to try to get it ahead of the curve, to get rid of these 20,000 meters, and exchange them with newer meters.

On a sidebar, Arnold and his guys keep up with the meter failures each month that come in. Our goal over five years is to get rid of the 20,000 meters and get to a point where we do not have these failed meters. A nuance that you may hear in some of the areas which you live in is, if these meters are failing, how can we ensure we are getting good information from the meters? It is the transmission of the data that we are dealing with. It is accurately calculating the usage; it is just not able to send that information remotely.

In 2012, the city of Leesburg went live with our AMI initiative. The meter captures the data, stores it, and sends the energy usage data through the head-end system to create the monthly invoices. This is a 15-minute interval data that it is collecting. We capture that, build from that information, and then we can query that information whenever we have customer calls about high bills or usage. We can help pinpoint exactly when they started seeing a problem, and we can help troubleshoot their end or their side of the system by working with them. The AMI is also integrated into our outage management system. So, the meter has a last gasp if there is an outage in the area and the meter will respond a power out notification and that populates into the LMS system. Again, we know they are out of power before they have to pick up the phone to call. Some of the benefits we see today: the interval data helps troubleshoot the remote disconnect and reconnect for all of our residential meters. Currently, we are not able to do that with the commercial meters, but as we move forward, some of the GE meters are putting that remote cut on / cut off on some of the three-phase meters. The residential meters are covered and help with troubleshooting and pinging. We can ping or query meters through our system to get a handle if they are out, if their neighbors are out or like in the middle of the night, through a meter system, we can ping the neighboring meters fed off the same transformer to try to determine if this is really an outage. Is it impacting all these customers or just this single customer? There is a lot of future use cases for the AMI system. Today we do hot meter base, measuring the temperature of the meter base, and it will send us a message through the UIQ system to let us know that there is a meter base we should look at. We can collect information for transformer loading. We can collect information, if you will, on voltages to help understand or help be a little more proactive if there is an open neutral type issue that the customer may have. The certain voltage patterns that are visible or are there so we can get that information. The problem with some of the future use cases is you end up building these exception reports, which is great, but every day you receive an exception report you have to have resources available to manage that data. So, with great power comes great responsibility.

We are in the final stages of the GE Itron platform transition. We wanted to be done by the end of the calendar year, but he thinks it may lapse into one, maybe two more months before that transition is

complete. It is a significant improvement in our costs when GE falls off and, right now, he thinks GE is like a \$1.7 million annual cost where Itron will be more of \$400,000. That is pretty significant; the same platform. The Itron meter provides the same mesh network for all the metering information we are getting today; we are just getting rid of GE as a third party.

On budget impact, this is a five-year program. We have under this year in our capital budget, just under \$800,000 budgeted to take a first piece of this replacement. We are trying to do 3,500 meters this year. The meters have been ordered, but not received yet. We do have some meters in inventory today, about 500, and Arnold and his team are going to go ahead and begin the first phase of the initiative. Arnold Eugene, Electric Meter Supervisor (EMS) has some maps he can share about exactly where we want to start with communicating the replacement activity. We have neighborhood signs with a QR code which has been updated to our website. The code takes them to the website to give the information as to what we are doing and what to expect. It only takes staff a few moments to change the information. For changing the meters, once everything is set up, you remove the locking ring, pull the old meter out, test the lugs or make sure everything is nice and tight, and then put the new meter in, which only takes a few minutes to do.

On communication, we do have a system on the electric side for alerts. It is not the proactive side yet, but we can, and we are planning to do some text messaging and then sit back and evaluate. There is a cost associated with text messaging. We will evaluate to see, you know, what kind of saturation we have? We get reports back. If we send a text out to this first group, about 400 customers, how many are going through, how many are hitting, is it being sent to phones that do not accept text messages? Some people still have landlines, and so we will get some reporting back, but text messaging is already kind of integrated into our outage management process. If we have an outage that is greater than 100 customers, we send a text message to let them know that they are out and give them an estimated time of restoration.

We are utilizing our own employees; they have IDs, our vehicles and our hard hats are marked. It is really just going to take a few minutes. There is no need for us to enter their homes as everything is done from the outside.

We do have a small area selected that we want to go ahead and do. We are looking to maybe, by the end of the week, go ahead and move forward with this change out. There are apartment complexes off Bentley and 441. There are about 400 customers in this area that we are trying to change out. Again, these are older meters installed back in these areas, so, we are trying to saturate that area and then, once that is done and the new meters come in, we will replace the 500 and put those back in our maintenance stock and then move forward with the capital program to replace the 3,500.

We are trying to focus on areas where, historically, we have had some meter failures as far as the readout and that will again from customer service give us a report of meters that need to be exchanged. I hate to belabor the point, but we are changing the out meters that have lived past their useful life.

We have the initial failure that says I cannot take that information and remotely send it through the head-end system to the billing system. So, we first as a city get a heads-up when it comes back as a failed meter or monthly read for that month for that customer. That gives us a list of meters that we change out. But again, that is outside this program that we have initiated here. Two parallel paths. One is about 300 meters a month. In the cooler months, it may slow down to maybe 150 and in the higher, hotter temperatures, we see more of the screen failures. We have seen as many as 400 meters a month fail. So, it keeps us busy.

Board member Burge-Bosbous asked is 2012 the oldest meter that is in service? **ED Chase** replied yes. Back in 2012, we took our entire system and everybody got a new meter. That was probably 26,000 customers; more or less. **Board member Burge-Bosbous** then asked if 150 to 400 meters consistently fail every single month. **ED Chase** said for years we did not have any failures. The failures are a fairly new item that has crept up, probably in the last four to five years. **Board member Burge-Bosbous** asked when they fail, do they just quit? **ED Chase** answered no, what happens is the screen fails first. The meter is still registering; still calculating. **Board member Burge-Bosbous** said so they still have service.

ED Chase replied they still have service, and it is still measuring the kilowatt-hours that are used every 15 minutes. What happens, though, is it loses the ability to send that information to the head-end system. The head-end system sends it to GE today and they formulate the bill and customer service takes that information to generate the billing. What is failing is a part of that flow process.

Board member Schwartz had a couple quick questions. The ability to remote connect and disconnect, is that a new ability? **ED Chase** replied no, that was part of the 2012 early functionality for remote disconnect. That feature pretty much sold everybody. A couple things; one I am not sending people out to read meters anymore so I can get rid of all those resources and I am not having to use my RPS folks, my revenue protection folks to go out and cut meters off in the morning. Then the customer pays their bill, and we send somebody out to cut them back on in the afternoon. Now that is all remotely managed through the system for the 12,240 residential meter types. For the most part, none of the commercial meters really have a cut on / cut off today. Arnold manages that process but we are seeing some of the meters coming out with the remote disconnect stuff on the three-phase side. **Board member Schwartz** said on your communication slide, and it might have just been omitted, but he did not see bill inserts as a way to communicate to customers. Are you planning on using inserts? **ED Chase** agreed we have that ability. We have not done that yet, but we will go ahead and take advantage of that. For this first trial we still have some things we want to test. We want to make sure that the process is running properly; pull out a meter, install a meter. We want to make sure everything is lining up, especially with the transition away from GE to Itron. **Board member Schwartz** said he would just offer that because those only come out once a month to start to create awareness that this project will be taking place throughout 2026. If you see QR codes and signs in your neighborhood saying please take a moment to scan them, he thinks the further out you can start to educate people about it, probably the better your messaging will be. **ED Chase** stated we can do that. The only downside is that we are not changing out everyone's meter. It is very targeted areas where we are and that is why we have the signs in the neighborhoods. Arnold has knocked on and gotten with the homeowners' association, in this case the apartment complex management team, ahead of time to let them know what is going on. We can certainly take advantage of the bill stuffers, if you will, to get the mass information out, but you are right, the language has to be careful. **Board member Schwarz** added that it may not impact you, but there are a certain number of customers in the system that will say if I scan this QR code in my neighborhood, what is it telling me? **ED Chase** said he had those two papers, but did not add them as part of the presentation. He will provide them to Andi so she can email them out to you tomorrow. Basically, you saw the first slide of why we are doing it and the 20,000 meters. It shows the AMI meter and shows you how to read the AMI meter. It does not go into the budget side of the house. **Board member Schwartz** respectfully suggested this is what you guys do for a living and this is the stuff you are throwing out there is totally inside baseball. As a homeowner, if his home is going to be impacted, all he cares about is when to expect this, and what is the impact? For example, his wife works from home and if she suddenly is in the middle of a Zoom call or something and loses power because you guys are swapping it out, he gets it, but there was probably also a way that she could have worked around that had she known. He would just caution or recommend either to be very customer-centric and keep it a very simple message. Not only what the sign looks like and why it would be important to scan the code, but also a very basic message about what they should expect. His hope would be that you are able to update the QR code; it should be updatable. As the signs move from neighborhood to neighborhood, you should be able to let people know, between Monday and Wednesday of this week, we will be swapping out meters in your neighborhood. It could affect electrical services between 7:00 a.m. and 7:00 p.m. We apologize for any inconvenience. That is really all a homeowner needs to know. **ED Chase** agreed, and knows the message today does not incorporate the time frame. It just says this is what we are doing. One thing that staff has kicked around a little bit is just what you referenced to; do we knock on everybody's door? Is it enough to put out the signs in your neighborhood? I got with the homeowners, with the apartment managers, we have the information on the website, but if we knock on each door and get them to the door, that is probably now a 15-minute process

rather than a two-minute process. So, I understand the customer-centric side of it, but also trying to expedite the process as well. **Board member Schwartz** agreed. He was thinking about knocking on doors, but yeah, that does add a tremendous amount of time to the process. If communicated properly prior to the moment you pull the meter and replace it, you should not have to be knocking on people's doors. **ED Chase** likes the idea of being more specific on really working in targeted areas, then the messaging could be a bit more specific. So, we could try that. **Board member Schwartz** added that those yard signs should be a nice bright color, saying you may be losing electrical service; scan the code for more information. That would get him to scan and find out what that is all about. And especially if it has the City of Leesburg on there, so it is official. It is not going to be some sort of con trying to get me to do something. **ED Chase** said that is why we added the note about nobody needing access to your home, because we do not want anybody out there trying to pull a shady deal on anybody. **EMS Eugene** added there is information on the website that talks about the whole commuter shop. We did kick around the idea of sending out messages to every resident and also putting signs out saying we will be in your neighborhood Monday through Friday or something like that. But we also thought about all the vandalism and home break-ins and if our schedule changes, we may not be in that area at that current time, but residents have been notified. Today our practice is when we get a notification from customer service, for us to go out and check a residence we knock on doors. In some of our larger complexes, we are being proactive and talking with the HOAs to send out a notification to all their residents so they know at this said time the electric department will be in your neighborhood. The QR code Mr. Brad alluded to does have a sign that says we are upgrading meters in your neighborhood, and it does say city of Leesburg with the logo. He then proceeded to explain how the website works. **Board member Schwartz** thinks staff is complicating this. **ED Chase** added the guys do knock on doors if the meters are behind any fencing. **Board member Burge-Bosbous** knows it takes time, and thinks it is beautiful customer service being provided. However, her dad just turned 80 yesterday, and he would not scan a QR code of his life depended on it. He is on oxygen and if the electric went off, he would have a heart attack. **EMS Eugene** replied that we have notifications flagged from all accounts that are what we call life alert accounts. Those meters have a yellow tag on them, which tells us we must notify that customer before we disconnect power or do anything. So, 90% of the time we knock on the doors and the customer tells us to go ahead. It is a quick process; in and out. We do realize a lot more people are working at home now, and we deal with it on a daily basis. If we see people walking in the house, we knock on the door, let them know what is going on. That process is not going to change. He also added that he is from Leesburg and has seen all kinds of bad things happening while out working in the different subdivisions, so he knows the importance behind all of this.

B. Maintenance Grant Application

Electric Deputy Director (EDD) Chris Adkins stated he is here to go over the department's electric energy grid resiliency grant program. This program is through DOE and their goal is grid resiliency utility and industry grants. They want to support modernization of the electric grid and reduce the impact due to extreme weather and natural disasters. For the process, applications were submitted to the Florida Division of Emergency Management. They review all the applications and then send all those up to DOE for consideration. They make sure our applications meet all the qualifications for the grant, and then they send it those up if it does. The federal funding applies to reimbursement. We have to put an outlay up front, and then they reimburse the cost anywhere from 47% to 67%, based on what particular project that you are doing. There is a 5-year completion after acceptance. So, we have five years from the time we get under contract with the DOE to complete the projects they have approved with us.

The status update:

April 23, 2024, was the initial submission and we submitted 10 grant applications. On March 13, 2025, seven of the ten grant applications were approved and moved to the next level on October 31, 2025. Four

of the grant applications were approved and were going to be sent to DOE. We are now waiting on the status of three other grants that we submitted. We have not received a negative or a positive response from the Florida Department of Emergency Management.

What we want to do is review this with you to see if you have any recommendations on this both currently and moving forward. The final agreement and acceptance of the grants will be approved by the commission once we get to that point. To review the grants we have out there, first is County Road 25A, south of Leesburg. If you head south on 27, just past Save a Lot, there is a road that veers off to the right. There are a bunch of poles down through there, which is a system hardening process that consists of seven older distribution poles and the associated hardware with them. The total budget impact for the project is \$55,000. The total grant participation is \$25,460 and the total impact to the city is \$29,540 or 54%. Just as a note, these seven polls were recognized in a pole inspection program we have. Staff goes out to look at all our polls in an area, and then they let us know that these are polls we need to go ahead and move forward on changing out because of their age or how they are doing structurally.

The next project we have is L62 feeder reconductor and reconfiguration. This is a targeted reliability improvement project that will allow us more redundancy within the distribution system. It provides additional tie points that allow us to tie with other feeders to make sure that outages are less than what they normally would be prior to this project. We will eliminate the majority of overhead exposure; talking about trees falling or tree limbs getting into the lines. The budget impact on this project is \$740,000. The grant participation is \$470,000 and the cost to the city is \$270,000 or 37% of the total project. We have been working on this one for over a year now and most of the work has been completed. **ED Chase** asked where this one was geographically. **EDD Adkins** replied this project is north towards the boulevard to our east substation by the old Cutrale plant. It goes back to the center substation on the boulevard or 27 and allows us to tie those two substations together to do some partial back feeding so we can get power back on to our customers. **ED Chase** said there is a lot of conversion on this feeder; a lot of overhead and a lot of underground being installed on this particular feeder. As Chris noted, a lot of this work has been done already, but that does not take it away from the grant program. This may be something that we see a reimbursement after the fact. We still have maybe not quite four to six months more work to do.

EDD Adkins said our next project is the L59 feeder reconductor, which goes down south 27. The section we are working on would start just south of the high school, going south, on the west side of 27, going down to South Street and then head west down South Street to Katoy Road. This project will improve resiliency and reliability by installing underground cable and installing hardened poles to increase the current carrying capacity on the feeder. The budget impact is \$2.85 million. The total grant participation is \$1.9 million and the total cost to the city is \$940,000 or 33% of the total cost. This project will take us over about a 2-year time period to get completed.

The last project is the Ravenwood subdivision on South 27. If you turn into Lake Denim, take an immediate right, you go back into the Ravenswood subdivision. This is an older subdivision that has a mixture of overhead and underground currently. This will improve the reliability and resiliency by converting much of the subdivision to underground and hardening the remainder portion. The budget impact is \$195,000. The total grant participation is \$130,000 and the total to the city is \$64,000 or 33% of the budget amount. Due to the existing tree canopy there, it is more effective for us to go underground than to pay for the tree trimming to clear everything out overhead.

There are three projects that he mentioned that he wanted to go over really quickly. The first one is again on 25A. There are seven more poles down that road that we want to change out that were recognized in the pole inspection process. Then 702 / 703 Reconductor, which is on North 27 in Fruitland Park where the new warehouses are on the left-hand side, going north all the way to Spring Lake Road. That will help us with some loading in that area with future projects and subdivisions that are going in. The last one is the North Sub transformer number one replacement. We have had problems with transformer

number one, the big substation transformer, and it has been up and down for the last several years. We want to try and, hopefully, be approved for that one, so we will be able to change that out. To continue the next steps, we are going to continue working with DOE to develop contracts detailing where to begin and bring that to the commission. The actual cost versus the estimated cost will be submitted to the commission and projects are going to be spread out over five years, so, we will be able to budget those as we go through the year and have less of an impact on our capital budget each year.

ED Chase interjected as to the actual cost. These estimates were done a couple of years ago, and we know everything has gone up; labor, materials, etc. We wanted to make sure you understood that if we get approved for these, then we will turn in the actual cost for reimbursement, not what was submitted 18 months ago. **EDD Akins** added that the 2024 ones sent in, the four just mentioned, DOE does recognize that there is going to be cost differences from the start of the project to the contract and even to the completion of the project. **Board member Burge-Bosbous** had a question about the grants. You said that 10 were filled out, seven moved to the next phase, and four have been approved. You are still waiting on three. The first four projects you discussed; you also broke down that they have grant dollars tied to them. Are those the four that have been approved or are those totally different ones? **EDD Akins** answered that those are the four that have been approved. **Board member Burge-Bosbous** asked so, we are waiting for a decision on the three. **EDD Adkins** agreed. **Board member Burge-Bosbous** said the four that have been approved are already allocated. **EDD Adkins** replied yes, ma'am. **ED Chase** added that we say approved, but there is no contract yet. They have not provided us with a contract to take to the commission. He is surprised we got this far; he thought we would get denied early on with all the talk of costs with the federal government. His assumption on the three we did not get any indication on is that they probably did not make it to the next level. **Chairperson Braton** asked about the grants that have been approved; is that approved for a percentage or for a straight dollar figure given that obviously the price of the project is going to increase? **EDD Adkins** answered the way things work is that DOE tells the Florida Department of Emergency Management, this is how much money your area gets, and then they allocate that to all projects in the state. So, that is why you see some of the percentages are not quite the same.

ED Chase asked if the four projects that made it through to the next stage, were those prices updated in 2024? **EDD Adkins** replied they were updated in 2025, a couple of months ago. **Chairperson Braton** said that it would be his concern on something like this, if you get committed to a project, that is, some of these are very big-ticket item projects expecting an "X" amount, and then at the end of the day the project exceeds what you initially budgeted significantly, but the return on the grant has not changed. And, just thinking business-minded, are you going to get roped into a project and not get the return, and it ends up overshooting your budget? **EDD Adkins** replied historically what they have done, just for simple math, the project has a \$300,000 total. The DOE says we are going to pay \$200,000 of that, so it leaves \$100,000 for the city. We go and do our project and say, "Oh, it cost more than \$300,000 to complete it." We can go back to DOE, show them the justification, and they will consider bumping that up to cover those costs. **Chairperson Braton** said, Okay, basically, in a nutshell, can we afford to do these projects without the grants? Would we be moving forward on these projects with or without the grants? And then that is when it starts to make sense for him that the grants are coming back as bonus money reimbursing us for projects we were going to do anyway. Or, are we doing them because of the grants and end up shooting ourselves in the foot financially when they cost way more than the grants are going to give back? **EDD Adkins** answered that we have the opportunity to get some of these projects done. The L59 project is because of the growth that is going on, we have to be able to back-feed and right now we are right on the margin of being able to do that. Ravenswood is another one where we need to get in there and do these things, and 62 we are already doing. To answer your question more directly, we would be budgeting for them, but it would be multiple years down the road because of the costs. By getting the grant, we make it more manageable to get some of these projects accomplished. Some other items we

have in the budget because of capital outlay, we may have to reorganize, but we have an opportunity to get some of these projects done.

ED Chase said, if you remember our budget conversation, there is a line of about 7.8 million per capital improvement projects. That is where all of these lie. It is a \$7.2 million bucket that is broken into capital improvement, keeping the lights on, and new growth; kind of one leg of that capital plan. As Chris said, we have already worked on the other three that he mentioned, and they are already in this year's capital plan. The 62 is already in our capital plan. So, all of these projects are in our five-year plan either in 27, 28, 29, etc. **Board member Schwartz** said just out of curiosity, on the grant program do you get draws along the way or is it when you are completely done, you go ahead and request the total amount that is due to you? And, then what is the lag time to get reimbursed? **EDD Adkins** replied there is nothing he can find particular to this grant that tells him. It will be in the contract information we receive. Other grants do have a payout in the particular time period. So, our hope is that yes, from a budgetary standpoint, we will get reimbursed along the way at a certain period of time. **Board member Burge-Bosbous** completely understands maintaining and improving. As to the existing the new growth, can we hold developers more responsible to take on more financial responsibility versus the city taking on the new construction, new development? **ED Chase** responded that we have done a considerable shift over the last three years in some of our directed costs. If looking at some of the subdivisions going in, the new plan says that for today, if there is any line extension, any make-ready work, the developers pay 100% of that right now. They look at the subdivision. Their four-year revenue has to meet those, they have to exceed the cost to build or, if not, then they have to pay the difference. On top of that, we are providing the material but they have to install all the infrastructure. They install the pipe, the switch, the boxes and the hand holes; they have to do all that. That was not part of our plan three years ago, but we are shifting much of those costs to the developer. He thinks that is significant. **Board member Burge-Bosbous** stated that as a real estate broker she writes contracts for a living. She just wrote a \$3 million deal for Moss Development, and they need to start taking on more responsibility because they are making very, very good money when they sell these communities. It is sad to have it come back on us to pay when they make millions off these developments. **ED Chase** mentioned again he thinks we have shifted a lot of the responsibility to the developers. One thing we do in Leesburg that not all utilities do is we have that bond that is required so that you have to live up to your obligation. If you do not live up to your obligation to build your subdivision, then the bond is forfeited. So, there is some incentive certainly that Leesburg has over those developers to make sure they do what they say they are going to do. **Board member Burge-Bosbous** agreed and stated that even when impact fees were raised, it did not slow anything down; not at all. **Board member Schwartz** added it just raised the prices, which got passed on to the buyers. He asked if staff was looking for a motion from them. **ED Chase** does not think a motion is needed; we are really just asking for your recommendation. Our plan is to move forward with working with the DOE and, at some point, having a contract in hand on these four projects. We are not there today. We still have to come back with a contract that has the numbers, that has some more definitive decision-making, and then he thinks we bring it back to you for your guidance and then take that to the commission. But we do not have those contracts today.

Board member Burge-Bosbous asked is there only one entity that you guys are writing the grant applications to, or are there multiple entities that you are writing grant applications to? **ED Chase** replied he guesses we dove into the grant writing in 2021 or something like that. We tried to get some outside resources to help, as it is not our forte. We tried the grip grants, and a number of other grants that we were not successful with. We went with FEMA on some of their grants, and we were unable to move forward with those. FEMA, just like the DOE, is saying we are willing to help subsidize utilities to mitigate problems and issues that occur during this storm or this tropical disturbance, so we do not see it over and over again. But for whatever reason, we were not able to reach an agreement with FEMA. I think FEMA has other things happening, so, they just kind of shut off talking to people. DOE seems like

they are more the same flavor because all these things are mitigating areas where we have had problems. Ravenswood was a problem year after year, and it just bubbled up to the top.

Board member McLea thinks that the department of emergency management wants to see those targeted areas that are consistently down for days and days because then that does weigh on FEMA to reimburse that resident for outages that are beyond anyone's control. These are projects that are needed, and grant money is just gravy on the potatoes. If we get the reimbursement, then you get it, but these are projects that have to be done. Her recommendation is to go after any free money out there. She hears what you are saying and, for our benefit, she does not think they are looking for just a project to get money and hopefully get it. This is a much-needed project. Do you get any formal notice of approval? You know it says you have already completed much of the work, but are you notified in advance that you know this project may have that funding for assistance in budgeting? **EDD Adkins** said we do not get any notice ahead of time other than the official notice. **Board member McLea** said grants are wishy-washy. She works with grants in the arts, and you are dependent on that. You are like, "Oh my gosh, we are going to get it." And then all of a sudden, they are like, "You are not getting it." So, she would encourage staff to continue to budget it in, in case we do not. But she thinks you go after any free money that there is on the table. **Chairperson Braton** agrees, if it needs to be done, it needs to be done. He is on the same page, and it should definitely move forward, especially with the four that you have already advanced to the next stage with the understanding that you know with grants there are no guarantees and that the department is prepared to absorb that full cost. It has to be just good stewardship and, like Amanda said, the grants are just gravy on the potatoes. **ED Chase** stated that is the way it is orchestrated. Al and the commission are going to have to come up with 100% funding to get approved. And when the grants come in, it will just cut down on those expenditures, but we have to be prepared to pay 100% of those costs through the budgeting process. **EDD Adkins** added that there is nothing, even though we got it approved to this next level with these four, there is nothing that ties us to them until we have contracts. So, if your recommendation or the commission's is to put this aside and do not move forward, we can certainly do that up until the time we sign contracts. **Board member McLea** thinks you should push forward and bring it to the commission if a contract comes forward, unless there is some verbiage in there that is terrible, but that is her recommendation. **ED Chase** said he would suspect that we will come back here in a future meeting with the more definitive contract language; we are just not at that stage yet. **Board member McLea** added good work to your team.

C. Bulk Power Cost Adjustment Update

Finance Director (FD) **Paul Austin** stated tonight we are going to talk about rates, specifically the BPCA, which is the bulk power cost adjustment. That is the piece of the rate structure that we can alter from month to month based upon the cost of gas. As it goes up, we may look at raising the BPCA or if there is a reduction in gas costs, we can reduce it. Right now, our BPCA account is about 4.6 million and keep in mind that the target here is about 3 million. Because of a hot summer and cheap gas, we were actually able to over-collect. Think we are just south of 5 million at the end of September. So, moving forward, reminder, our current BPCA rate is \$20 per thousand kilowatts. If we keep that rate with all projections through FMPA, as far as costs and sales, in about May we are going to be \$162,000 in the red. The reason for that would be high domestic demand. If you remember, a few weeks ago it got really cold across the country, which was kind of early and unexpected, and increased the cost of gas. About half the households in the country use natural gas to heat their homes. When it gets cold everywhere, not only are we burning gas to create electricity, but people are burning gas to keep their homes warm. So that supply and demand gets a little out of whack. The current administration is increasing liquid natural gas exports to Europe and many other parts of the world. When we do that, obviously, that tilts our supply and demand again in a bad way. FMPA is projecting higher costs through the winter and, based upon the early cold spell, they project that going through probably April on the cold side.

Showing a current projection slide, he said graphically the green line shows the past. We had some cheap gas through the summer and then last month there was a spike. He presented a slide to show the blue line is what FMPA projected their costs would be, and due to the spike in gas prices, their current projections are now the red line. Through this spring they under projected costs about four and a half percent, so we saw a pretty big spike last month in the cost of gas. To get to that \$3 million number and to keep out of the red, we are recommending increasing the BPCA to \$22.50, which is 2.5 cents per thousand kilowatts beginning in January. For the average customer, that is about a \$3.25 increase before taxes. And then the additional increase to \$25 in April, again will be another three and a quarter, which would be about a \$6.50 increase by April. That would get us to that magic 3 million number by the end of October next year.

Some slides were hard to read, so FD Austin provided handouts to the board. The first page is where we are currently with the two cents, \$20 per. The second page is the projected increases. You will see the highlighted number towards the bottom of the page in January and then again in April. And if you slide all the way across to the bottom, it gets us to that magic \$3 million number that we were talking about. **Chairperson Braton** asked did we not just lower this recently? **FD Austin** responded we went from 25 cents to 20 cents in August. **Chairperson Braton** added he did not think we were raising and lowering it that frequently. Is it normal to adjust this multiple times a year? **FD Austin** replied it is all dependent on the cost of gas. Again, that is the one piece we can play with based upon our costs. **Chairperson Braton** added that when he saw that it was going back up again, he was like, well, it just went down. **ED Chase** mentioned that Lakeland does it monthly; to them, it is a cost to pass through with monthly changes. **FD Austin** added, if you remember, maybe three, four years ago when gas was really cheap, we were at zero with this for a while. And then as costs crept back up, we started to increase that number as well. Again, all these are our projections based upon sales and the projected cost of gas. FMPA does a good job with futures trading, so they kind of lock in for the short term. Whatever happens in the world, we are not going to be shocked, but that three \$3 million number gives us some flexibility. If we do see a spike in cost like we did last month, we can take that on without creating a disaster for customers. **Board member Schwartz** asked is the transfer to the general budget a potential offset to the increase? **FD Austin** replied that would not affect the expense.

Board member Schwartz said, but if you are locked into a certain and he apologized, maybe this is more of a conversation for when Al is here. But, let's say, whatever that fixed number is that we tend to shift over to the general budget, if we said, "Hey, look, instead of doing that, we are going to absorb more of this increased cost so that we do not have to raise rates." I do not get the impression from sitting here for the last two years that there is an awful lot of valves you guys can turn to try to save the customer money. He understands there is cost, and they are out of your control, but he will always be where else can we save money without having to pass on increasing rates. **ED Chase** said he thinks that question says if you lower the transfer at this point in time, it is going to ripple all throughout the whole city's budget, because the city budget that we just started is all based on the transfers from the electric, from gas, or from water and solid waste. And as Al likes to say, the givers and the takers, the budget is already set. So, if we lower the amount to cover for the fuel adjustment within the electric side of the house, then it impacts the other sides of the budget. All of those costs are going to be impacted. **Board member Schwartz** said he would also make the argument that as a homeowner if his electric bill is going up for the next several months, he has to make adjustments as well. Someone is going to have to adjust something somewhere somehow. Again, he is not looking to solve this tonight, but he will always bring that up as how else can we operate as a utility and make raising rates the absolute last thing possible. Sometimes the answer will be we just cannot, but he will always ask that question. **Board member Burge-Bosbous** said we are not just looking at one price increase in January, we are looking at one in April as well. So, it is not just one, it is two. According to this projection, it is riding out the summer at the higher rate. **FD Austin** stated again, these are projections. We can alter that BPCA number however

you want. We can do one bump and leave it alone, or we can do none and ride it out and, hopefully, we have over projected cost and the weather cooperates. But based on the current data, he believes this is the best way to go forward. **Board member Schwartz** added, if not mistaken, we went through that at another point this year as well where we over projected and we wound up having a nice surplus that allowed us to reduce the rate again. Great place to be. Nobody complains on social media when you lower their rates, but they find social media when you raise them. **FD Austin** agreed, there are a lot of factors that are driving the cost of natural gas. And if you look even further in the future, you are looking at all these data centers that are going to just consume tons of energy. So, this will be an ongoing discussion. **Board member McLea** asked if this goes before the commission for final approval. **FD Austin** replied no, Al has the ability to make these changes.

Board member McLea asked if he was asking for a recommendation tonight. **FD Austin** replied this was our recommendation. Again, we are open to discussion however you guys would feel most comfortable trying to tackle this. But again, in the end, we want to get to about a \$3 million cushion. That is the goal. **Board member McLea** sees Mark's point and seconds that point, but also understands the point about the budget. So, her question would be when is the right time to ask about that? Where can we save within the city? And she is on the same page as Bethany that two adjustments are hard. So, do you bite the bullet and do it now? **FD Austin** said you have to look into the psychology of it. People are going to say, "Oh, they are increasing it again versus just doing one bump." **Board member McLea** said so, if you tell me, Amanda, it is going to be \$6.50 more a month. In my mind, that is great. Well, it is not great, but it is more accepted versus, okay, we are doing it in January and here we are again in April. So, she would rather see that upfront bump one time versus twice. **Chairperson Braton** added then re-evaluate it again in April. **Board member McLea** said Yeah. Mark is probably ready to kill me, like, what are you doing, Amanda? But I do not like this. Every three months, we are looking at whether it has to go up again because, you know, it is going to go up. I mean, we are going into the summer. The chances of April being a status quo month, we are going to stay the same versus going up is probably slim. **FD Austin** asked as far as the bulk power cost or cost overall? **Board member McLea** answered the bulk power cost. We are probably not going to come here in April and if we raise it three percent, you are saying now, and come back in April, we are probably not going to stay the same. You are probably going to be like we have to raise it again. **FD Austin** pointed out that the thing with the curve is there is always this roller coaster effect. Gas is cheaper in the summer for us because the rest of the country is not burning gas to keep their homes warm. So, we always see this roller coaster curve. In the winter it spikes because everyone is burning gas, whether it be to produce electricity or to heat their homes. And then in the summertime our gas is cheap and our sales are high. We tend to over-collect in the summer, and then in the winter, we under-collect. **Board member Schwartz** said so remind me that the base rate is set by the state. **ED Chase** replied no, the per kilowatt rates are set by the commission. **FD Austin** added that any rate change would have to be approved by the PSC. **Board member McLea** asked if you are asking about the gas charge? **Board member Schwartz** said no, the base rate. **FD Austin** said the base rates have not changed in two, maybe three years. It is the bulk power cost that keeps going up and down. We were lucky with the lower gas rates, which was good. But now we are in the opposite situation.

Board member Schwartz made the same comment as he did earlier this evening about the critical importance of communication and letting people know number one as far in advance as we can that this is going to happen and why this is going to happen. This is what the money does not go to because he always love hearing, you know, city manager must have got a new car with my raised electric bill this month. So, he thinks communication is pretty critical on these things. There are factors that are out of our control as a utility. Just like any other business, and even then, they look, so businesses have been dealing with tariffs, and how much do I absorb as a business? How much do I pass along to the customer? Sure, it just feels to him that every time this comes up that the automatic response, and I do not say that you guys take this lightly at all, but the automatic response is that we need to raise rates. He always questions

where else we can possibly conserve so that we do not have to raise or if there is a happy medium in there someplace. **Board member McLea** asked if the base rates for residential and commercial are the same? **FD Austin** replied no, they are different. The residential base rate is two-tiered, you have your first thousand at such and such. So, it kind of promotes conservations. Our average customer burns about 1,300 kilowatts a month. **Board member McLea** said she is a Duke customer and Duke Energy is still higher. **FD Austin** mentioned that Duke is proposing a rate reduction, but he does not know, and will believe that when we see it. Then FPL is actually going up beginning in January '26, '27, and possibly into '28. **Board member Burge-Bosbous** stated she does not think we should necessarily tell all we know either because she does not think anybody is going to feel sorry for us when they say, "Well, we want to have \$3 million in reserves." That does not usually go over very well because would not we all like \$3 million in reserve? **ED Chase** answered it is a bit of a rate retention fund, because if you have large variations on it, you are not going back to your customers month after month because there is a big swing. So, it does help buffer. Again, we are talking about two bucks and six bucks; not talking about 30 bucks. **Board member Burge-Bosbous** asked when it was really cheap in the summer, did we buy power for reserves? **ED Chase** said actually, we talk about hedging. We have a lot with FMPA, and we have been doing that since 2021, when it went to 70 bucks. So, we have been hedging ourselves trying to manage these costs. This year is going to be fairly predictable about what we are going to see. We purchase down on some of the summer months, so it should be flatter, meaning that our budget should be what we actually pay. We cannot hedge everything. We are not hedging 100%, we are hedging 50% of our cost. **FD Austin** added to answer your earlier question, the budget meetings during the summer would be the time to bring that up. How can we maybe reduce the transfer, push those savings off to the electric customers, and maybe bring down some of the expenses in some of the other departments. That is the time to do that.

Chairperson Braton asked if that is everything? **FD Austin** asked if the board would feel more comfortable with one bump up or the two that we discussed? **Chairperson Braton** thinks it is six of one and half dozen of another. He would just assume see one 50 cents rather than two 20 cents. **FD Austin** stated it is 20 to 22.5 to 25 cents. **ED Chase** thinks that is what is on the table, a proposal of two and a half cents a piece. **FD Austin** explained it is taking a five-cent increase and breaking it out. **Chairperson Braton** responded it is splitting hairs. **Board member Burge-Bosbous** agreed, as a person who has four electric bills in this town. **Chairperson Braton** understands as he also has several. **FD Austin** said again, there is the math and then there is the psychology of it. **Board member Schwartz** thinks the 25 is based on projection, correct? He would rather see a conservative initial. **Chairperson Braton** agrees and would stick with the initial plan, if it were him. **FD Austin** added Al's thought was, hopefully, we will get lucky, and keep it there or if we have to, bump it up. **Chairperson Braton** said do that and re-evaluate later down the road, and if you have to you have to. **FD Austin** mentioned that this chart comes out every month. So next month may be, "Oh, we over projected because such and such happened." **Board member McLea** said those projected ones in April could be less. **Board member Schwartz** said as he thinks about his monthly expenses, this is really the only one that typically will fluctuate. His cable bill, streaming bill, those are fixed amounts and his water bill is a relatively fixed amount. So, from a consumer, from a homeowner, trying to navigate that fluctuation, not necessarily in usage, but in what he gets charged for that usage. **FD Austin** said it is much like gasoline when you fill up your car. One day it is \$2.80, then the next day it is \$3.19. It is the same thing with natural gas. **ED Chase** added that since Al is not here, you could ask him next time. Some utilities do budget billing, where it is more set during the year. Now, there are true-ups at the end of the year and that could be why some people stay away from it, because it could be a little painful if you have underestimated the whole year. Budget billing does kind of have a way of keeping each month pretty flat. **Chairperson Braton** said he gets questions about that. **FD Austin** said we are actually in testing right now, and have been testing for about 10 months. In about two months, we will get actual true-ups. Hopefully all the math works out, and we can actually roll that out to customers. You are still committed to pay for what you use. It is just your bill

from month to month will be in a window of 150 to 200 give or take depending on how the math works out. **Chairperson Braton** said then at the end of the year, you either have a yes or no. **FD Austin** stated you either get a credit, you get a true-up, or we just calculate that the next year is going to be a little higher because we under shot or vice versa. **Chairperson Braton** asked if this is like escrow? **FD Austin** replied, yes. He added we will proceed as proposed and, hopefully, get surprised on the good side.

Chairperson Braton thanked the gentlemen for an informative meeting.

4. ROLL CALL:

The board had nothing further to comment on this evening.

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 made by Board member Schwartz and seconded by Board member McLea, the meeting adjourned at 6:43 p.m.