



# Utilities Advisory Board Regular Meeting Minutes

**April 22, 2025 at 12:00 PM**

City Hall Commission Chambers  
401 S. Park Avenue

## **Present**

Michael Poole, Paul W. Smith Jr., Kathryn Sutton, Mary Dipboye, Paul Conway

## **Absent**

Alison Yurko, Leon Huffman

## **Staff Present**

Director of Water and Wastewater Utilities David Zusi, Director of Electric Utility Jamie England, Director of Finance Wes Hamil, Electric Utility Operations Manager Miguel Cruz, Deputy Director of Water and Wastewater Utilities Jason Riegler, Utility Services Manager Ann Newhouse, Administrative Coordinator Madison Smith

## **1. Call to Order**

The meeting was called to order at 12:01 pm

## **2. Consent Agenda**

- a. Approve the minutes of March 25, 2025

**Motion made by Mr. Conway to approve the minutes, seconded by Ms. Dipboye. Motion carried unanimously with a 5-0 vote.**

## **3. Public Comments (for items not on the agenda): Three minutes allowed for each speaker**

Hattie Bryant, 1240 S Pennsylvania, provided a document to the board and staff outlining her comments, emphasizing that the current renewable energy plan will require resident taxpayers to pay up to six times more than necessary unless the plan is revisited.

## **4. Action Items**

## **5. Non-Action Items**

- a. Proposed State Legislation Regarding Utility Rates

Mr. Zusi and Mr. Hamil shared details about proposed state legislation affecting only water and wastewater rates. Under current state law, municipalities can charge water and wastewater customers outside city limits up to 25% more than those within. If approved, customers outside the city will experience a 12.4% reduction in rates, while those within the city limits will face a 9.5% increase.

Kathryn Sutton asked for clarification regarding the reference to municipalities served outside the city limits. Mr. Hamil responded that the proposed legislation refers to municipalities served outside a utility's city limits and that in the case of Winter Park, we do not serve any outside municipalities, only portions of unincorporated Orange and Seminole Counties. The exact number of customers outside was unavailable at the time of inquiry. Allocations for capital improvements differ for those outside and inside the city. Mr. Poole summarized that if the bill passes, some groups will see an increase while others will see a decrease, along with an annual increase and an indexed increase that could amount to as much as a 15% increase for city customers. He suggested initiating communication for customers who will be affected.

Mr. Zusi advised that they are monitoring the legislation regarding the removal of fluoride. The timing will be around July 1. A small amount of fluoride is added to reach 0.7. Implementing this change will not be difficult; staff will simply stop adding it.

b. Change in net metering practice

Net metering encompasses bi-directional measurement of electricity flow between the grid and residential properties. According to the policy established in 2012, should a customer supply the city with more electricity than the city delivers within a billing cycle, the surplus will be banked and credited to the customer in the following billing cycle. At the conclusion of the calendar year, if the customer has accrued a net credit, the city shall credit the customer's account for the surplus electricity provided.

The previous billing system was not capable of accommodating the banking of excess kWh received from customers. Consequently, the credits for energy charges and fuel charges were issued within the billing cycle rather than at the conclusion of the fiscal year. Staff members have collaborated with the current billing system vendor to rectify this issue. Moving forward, if a customer provides excess power within any billing cycle, their invoice will display their customer charge with their energy and fuel charges reflected as zero. They will be responsible for the taxes associated with the customer charge. The system will accumulate their excess power, and at the end of the calendar year, they will receive compensation for any remaining surplus. The credit will be retained in accordance with the initial policy and distributed at the conclusion of each calendar year.

Mr. Hamil explained net meter customers with remaining surplus kWh at the conclusion of a calendar year would be paid for energy, fuel, and the franchise fee equivalent.. The compensation rate at the end of the year involves a manual calculation of the average annual rate based on the customer's applicable rate tariff in effect for the previous year.

The residential fee of \$16.98 will be applied regardless of whether a solar customer generates excess energy. Mr. Poole agrees with the decision not to reimburse customers for taxes and franchise fees and would like the retail rate versus rate tariff to be defined and clarified.

c. New Utility Account Payment Options

Ms. Newhouse introduced two new payment methods with provider Paymentus that will take effect with the May bill. One option is Text to Pay, while the other is Scan to Pay. Scan to Pay requires the customer to use a QR code to pay at a retailer, they can pay with cash or any other method accepted at the location. There is no fee for Text to Pay, and a small fee for Scan to Pay, which goes to the retailer.

Text to Pay offers the city an additional communication channel option for pre-planned outbound messages at a rate charged to the city of 12 cents per text and 5 cents per e-mail. The OMS system will continue to be the method used to send outage alerts. A pilot test was conducted with 5,000 customers, and all payments were processed with no issues. An online FAQ will be made available.

d. Financial report for the six months ended March 31, 2025

Mr. Hamil reviewed the financial reports for the preceding six months. Revenues from both water and electricity have been somewhat more favorable than anticipated, primarily driven by volume rather than price.

Fuel rates were increased on March 1. Fuel cost revenues exceeded the fuel costs incurred for the month of March. The ending balance in the fuel cost stabilization fund stood at \$885,000, which remains below the targeted balance of \$1.4 million. Upon reaching our upper trigger point of \$1.75 million, fuel rates will be adjusted downward. The frequency of rate adjustments is variable.

Mr. Hamil noted in the statement that the cash balance for electricity is low at \$1.2 million; however, the inventory stands at \$9 million for the undergrounding. As Electric utilizes its purchased inventory over the coming year or two, together with incoming revenues, the cash balance is expected to increase.

## **6. Staff Updates**

a. Electric Utility - Jamie England

Mr. England announced the events for the 20th anniversary. The electric utility is working to become more community oriented.

The undergrounding project was reviewed, and the wording for the definition of "complete" on the website was corrected.

The board requested the revised comments on the strategic plans. Joint UAB strategic plan work sessions with the city commission are scheduled for June 12 at 3:00 pm regarding water and wastewater, and June 26 for electric.

Mr. England indicated that there are now three vendor options for the OMS and that AI will gather historical outage data within it in the future.

Staff with the input of city management are updating the street light policy to decrease inventory by swapping high pressure sodium lights for LED ones.

The city has not yet committed to the dark sky initiative. Dark sky lighting is a superior option as it requires less maintenance, helps bird mitigation, and is more environmentally friendly. The estimated cost to replace all city lighting with dark sky options is around \$9 million.

During discussions, participants questioned why, if residents prefer dark sky lights and they are a better product, the city is not replacing burned-out globe lights with dark sky lighting. Mr. England explained that pursuing dark sky lighting is a likely direction for the city, as it is part of the policy. However, the city has opted to wait until the undergrounding of utilities is completed before implementing the dark sky street lighting policy. Ms. Sutton cautioned that if we wait five years, costs are likely to rise.

Mr. England further mentioned that residents would prefer not to have streets with a mix of globe lights and dark sky lights unless the residents themselves fund the installation of dark sky lights. Ms. Sutton suggested that the city should develop a policy regarding the types of lighting to be used. One proposal was to replace the current acorn lights with similar acorn lights while implementing dark sky lights in new developments.

The average lifespan of a streetlight is around ten years, although the poles may last longer.

Electric utility is working on the department logo.

Mr. Poole discussed the bonding issue that was mentioned during the last meeting. Mr. England and Mr. Hamil sent their Excel spreadsheets, concluding not to proceed with it. Mr. Poole took additional time, utilizing the city's projections for the next ten years and overlaying the assumptions within them. The projections used substantially underestimate revenue. In the modeling created by Mr. Poole, it worked out within the current model and eliminated the deficits, while also maintaining the same profit margin throughout the ten years, yielding even better results, as one would expect if it adhered to the old methods. Generally, under these bonds, there is a three-year period to take the construction funds and develop whatever is intended for those funds. This will be presented to the board next month. It also encompasses many other factors, such as the dark sky opportunity. It enhances improvements in some of our sub-service lines, providing numerous benefits. It should not negatively impact our bond rating, which is currently at the highest level; debt service is in place, and cash flows are sufficient there. Mr. Hamil advised that the staff will conduct a thorough review and will reach out subsequently.

The bond will be approximately \$37 million, with the city opting for a 10-year amortization while Mr. Poole chose a 20-year term. Financing should align with the asset's lifespan, which is 30 years. The 20-year period is a conservative estimate. This approach alleviates the immediate financial burden on current customers, as they won't pay the full cost of the undergrounding that will last for 30 years. Instead, some expenses will be passed on to future customers who will also benefit from these improvements. Additionally, the anticipated rate increase in 2027 will facilitate pricing

elasticity for the commission and staff, owing to the significant cash flow generated. Therefore, strong pricing mechanisms are in place to support this strategy.

b. Water & Wastewater Utility – David Zusi

Mr. Zusi discussed the AMI integration. The consultants submitted two reports that are currently under review and will be presented to the board in the next day or two. One report is a SWOT analysis, and the other provides a very detailed AMI analysis. The next step is to thoroughly document how each of our processes works, helping to identify all areas, who is responsible for each task, how those tasks are completed, and our critical succession planning component. We are finalizing the job description for the key position that will collaborate with the electric utility, water utility, customer billing, and finance to maximize software usage and improve our processes. Staff will forward the final strategic plan.

c. Performance Measurement – Wes Hamil

Mr. Hamil presented the performance measurement statistics through February.

The city is better equipped to handle problem situations like hurricanes and is very proactive in upgrading lift stations and adding generators. Mr. Conway inquired whether monthly measurements of irrigation consumption could provide insights into becoming more conservative. Mr. Hamil explained we only know for certain how much water is used for irrigation for customers with a dedicated irrigation meter. Most customers do not have a dedicated irrigation meter but still water their grass. Mr. Zusi mentioned that the staff is currently working on a consumptive use permit, which indicates that a significant amount of information related to irrigation is being analyzed.

d. Communications – Clarissa Howard

The May 2025 utility bill insert and the surge protection plan flyer were included in the packet.

## **7. Board Comments**

Gratitude was expressed to the board members who are departing.

Ms. Dipboye noted that customers are looking to leverage AI to enhance their energy efficiency and are seeking more details on the city's AI initiatives.

## **8. Upcoming Agenda Items**

Bond Discussion

Mr. Zusi thanked Paul and Mary for their time on the board.

## **9. Adjournment**

The meeting adjourned at 1:37 p.m.

Approved by the board on June 24, 2025  
/s/ Bahiyyah Layton, Board Coordinator