



# Utilities Advisory Board Regular Meeting Minutes

**June 24, 2025 at 12:00 PM**

City Hall Commission Chambers  
401 S. Park Avenue

## **Present**

Alison Yurko, Michael Poole, Kathryn Sutton, Leon Huffman, Todd Weaver

## **Absent**

Paul W. Smith Jr.

## **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, Electric Utility Engineer Manager Mourad Belfakih, Integrated Resources Program Manager Lisa Vedder (Virtual), Utility Services Manager Ann Newhouse, Administrative Coordinator Jennifer Vicente

## **1. Call to Order**

The meeting was called to order at 12:00 pm.

## **2. Selection of Chair and Vice Chair**

**Motion made by Mr. Huffman to nominate Kathryn Sutton as Chair; seconded by Mr. Weaver. The motion carried unanimously by a 5-0 vote.**

**Leon Huffman as Vice Chair was agreed by consensus**

## **3. Consent Agenda**

- a. Approve the minutes of April 22, 2025
- b. Approve the minutes of May 27, 2025

**Motion made by Ms. Sutton to approve both sets of minutes, seconded by Mr. Weaver. Motion carried unanimously with a 5-0 vote.**

## **4. Public Comments (for items not on the agenda)**

## **5. Action Items**

- a. Bond financing for undergrounding and other electric utility projects

Mr. Hamil presented the topic of borrowing to finance capital projects, specifically undergrounding, as mentioned at the previous meeting. He noted that the city has primarily used pay-as-you-go funding for the undergrounding effort since it started around 2013 or 2014. Funding initially commenced at approximately \$4 million annually

and has since increased to approximately \$9 million per year. The city maintains a debt policy that promotes pay-as-you-go funding, reflecting a more conservative approach to financing capital improvements. The city borrowed funds in 2005 for the acquisition of the electric utility, and in 2007, it borrowed \$22 million for underground infrastructure projects. The long-term debt arising from these borrowings is scheduled for maturity between 2035 and 2037.

Mr. Hamil presented the Pay-as-you-go funding versus borrowing for undergrounding spreadsheet, reviewing key increases and the Scenario 1 projection. He explained the negative cash flow over the past decade and recommended slowing undergrounding activities. Mr. Poole noted that the pro forma is unrealistic due to its negative cash flow, which cannot be presented to a bonding company. *Mr. Hamil agreed that the city would not submit a pro forma to a bonding company showing negative cash flow.* Mr. Hamil mentioned that borrowing allowed him to accelerate some expenses and extend debt repayment over 20 years.

Mr. Poole questioned why rates should be raised when borrowing could eliminate the need to do so. Ms. Sutton explained that during her review, she was unable to analyze the impact of bond financing with the rate increase based on the information provided and was unsure of the next steps. Mr. Poole suggested creating a pro forma that shows positive cash flow and, if it includes rate increases, to include them. He is opposed to raising rates. Mr. England noted that rates have not been raised since 2019.

Ms. Yurko questioned the current state of the bond market. Mr. Hamil mentioned that the financial advisor had provided a rate of 4.5%. She inquired about which projects the bond would cover. Mr. Hamil responded that the projects would be discussed by the board. Ms. Yurko proposed that undergrounding should be a priority and suggested that the bond funds should be allocated for this purpose.

The rate increase will be 15.7% for non-fuel rates. Considering the elimination of time-of-use rate customers, non-fuel revenues have increased by 4.75% over the last four fiscal years. However, this growth does not match the increase in costs, which is why a rate hike is necessary. According to Mr. England, it was recommended at the FMPA meeting for municipalities to raise rates to enhance system resiliency. Winter Park's rates will still be significantly lower than those of other providers.

Mr. Hamil was asked about his reaction to the bond recommendation analysis and its impact on the city's bond rating. He clarified that the electric utility bond rating is separate from the city's triple A rating for general obligation bonds and would not be negatively affected. Regarding the analysis, Mr. Hamil explained it involves revising the pro forma financial statement and presenting a balanced budget each year, along with discussions on how to achieve balance—either through rate increases or reducing capital expenditures. Mr. Poole noted that undergrounding work is optional and can be scaled back unless additional borrowing is used to balance the budget. He also mentioned that rates do not need to increase, especially since bulk power costs are decreasing *relative to 2026, due to the expiration of the Covanta contract.*

Mr. Hamil explained that fuel rates are independent of non-fuel rates. When fuel costs rise, rates are adjusted upward, and when they fall, rates are decreased. If fuel costs keep decreasing, we would lower the fuel cost recovery rates, helping to offset the impact of higher non-fuel cost recovery rates.

The discussion continued on rate increase versus bonding. Mr. Hamil agreed to prepare the pro forma as proposed by Mr. Poole. Ms. Sutton recommended that Staff return with an analysis presenting multiple options for the board to review and vote on.

**The Board agreed by consensus to table the bond discussion with the recommendation that an analysis be prepared for the next meeting.**

b. Proposed FY 2026 utility budgets and rate increases

Mr. Hamil presented the timeline for the adoption of the budget. The utility directors have prepared budgets and met with city management to review them. He presented the water and wastewater budget highlights, which have remained consistent over the past three years.

The projected revenue chart was presented, indicating that for FY 2026, staff recommend a 2% increase over the PSC index to fund infrastructure. This would result in a total water and wastewater rate hike of 4.23%, subject to Commission approval. The Raftelis 2024 Florida water and wastewater rate survey was also shown, comparing rates with other Central Florida utilities.

The expense budgets for water and wastewater noted increases in personnel costs. The difference between the estimated expenses and revenues for water and wastewater will be shared with the board at the next meeting.

The electric budget highlights were presented. The first chart compared Winter Park's rates with those of nearby municipal utilities, including both the current rates and the 15.7% non-fuel rate increase. A separate chart showed projected electric revenues and expenses for FY 2026. The detailed breakdown of operating expenses will be provided in the next update.

Mr. Hamil presented the summary of the water and wastewater proposed budget in comparison to the prior year, as well as older years and data through April 30, 2025. The 5-year capital improvement plan for water and wastewater was also shown. Mr. Hamil then presented the summary of the electric proposed budget in comparison to the prior year, along with data from older years through April 30, 2025.

The discussion on the rate increase continued. Ms. Yurko emphasized the importance of completing the undergrounding project and described the rate increase of under \$18 per month as a minimal change. The 5-year capital improvement plan for electricity was presented and reviewed.

Mr. Poole questioned whether Ms. Vedder's role was designated solely for full-time renewable energy and not for responsibilities like bulk purchasing. This topic should be addressed at the upcoming commission work session alongside the renewable energy update, including progress on implementation. During the last meeting, it was agreed to

provide quarterly updates. Mr. Huffman inquired about the percentage of power generated from renewable sources. Ms. Sutton suggested gathering this information based on the Commission statute, as discussed and outlined in the strategic plan for the August meeting.

**Motion made by Allison Yurko to approve both of the requested rate hikes with the understanding that additional data will be received; seconded by Mr. Huffman with discussion. Motion was withdrawn by Ms. Yurko after discussion.**

**Motion made by Ms. Yurko to approve the water and wastewater budget as presented; seconded by Mr. Poole. The motion carried unanimously by 5-0 vote.**

**Motion made by Ms. Yurko to revisit the electric budget issue with a clear understanding of the reason for the rate increase at the August meeting; discussion followed moving the electric budget issue to July with new analysis.**

## **6. Non-Action Items**

### **7. Staff Updates**

#### a. Electric Utility - Jamie England

Mr. England announced the 20th anniversary celebrations on June 11 and June 14, which were very well received. He also went over the monthly electric utility update included in the packet. The commission-approved streetlight policy will be presented to the board.

#### b. Water & Wastewater Utility – David Zusi

Mr. Zusi will provide a program policy plan for implementing the Cross-National Control program at the next meeting.

#### c. Performance Measurement – Wes Hamil

Mr. Hamil reviewed utility performance, noting a budget of 430 million kilowatt hours in fiscal 2026, with actual sales around 445 million for the 12 months ending February, March, and April. Mr. Poole said we're getting 20 million more kilowatt-hours than budgeted. Mr. Hamil mentioned our electric cash position is low, but we're not accumulating much cash. The fuel stabilization fund balance is close to the trigger point to reduce fuel cost recovery rates, with a balance of \$1,154,000 at April's end, below the target of \$1.4 million.

#### d. Educational Campaign – Clarissa Howard

The bill insert was included in the agenda packet

## **8. Board Comments**

Mr. Weaver observed that the businesses and residents within the City of Winter Park served by Duke incur a 40% higher cost for electricity and are faced with substandard equipment. He remarked that power outages resemble conditions in a third-world country; however, residents of such countries are typically prepared for these situations. Mr. Weaver advocated that it is reasonable and just for the city to pursue the acquisition of Duke's assets. As a board and in collaboration with the City Commission, he emphasized the necessity of advocating this position before the Public Service Commission. He noted Duke's lack of cooperation.

Mr. Poole recommended pursuing legislation that grants city-owned utilities the authority to service residences within their municipal boundaries. It is advisable to investigate whether other city-owned utilities encounter similar challenges in servicing their residents, which will inform the development of legislation affirming the city's right to provide such service. Mr. Weaver intends to present this issue to the board at every meeting.

Additionally, Mr. Weaver expressed concern about the misinformation in public comments that lacks supporting data. He recommended that the board develop a strategy to present to the commission for adopting a new practice.

Lastly, he proposed that the city initiate the generation of its own solar power on land owned by others.

## **9. Upcoming Agenda Items**

An additional analysis concerning the bond financing, a report in August regarding the status of the renewable plan, and further details pertaining to the electric budget.

## **10. Adjournment**

The meeting adjourned at 2:05 p.m.

Approved by the board on August 5, 2025  
/s/ Bahiyyah Layton, Board Coordinator