



City of Eustis

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TO: EUSTIS CITY COMMISSION
FROM: TOM CARRINO, CITY MANAGER
DATE: FEBRUARY 6, 2025
RE: RESOLUTION NUMBER 25-13: APPROVAL OF DUKE ENERGY AUDIT CLOSING AGREEMENTS

Introduction:

The purpose of Resolution Number 25-13 is to accept the Audit Closing Agreement between the City and Duke Energy for money owed to the City by Duke Energy for unpaid Municipal Utility Tax and Franchise Fees.

Recommended Action:

Staff recommends approval of Resolution Number 25-13.

Background:

In June 1997, the City and Duke Energy's predecessor, Florida Power Corporation entered into a utility franchise agreement for the provision of utility service to customers within the defined Service Area.

The terms of the agreement provide for the City to conduct a periodic audit of certain fees collected by Duke Energy and payable to the City from customers within the Service Area. In November 2023, the City hired a third-party to provide for a formal audit of the Duke Energy fees payable to the City for the period of September 1, 2021 to August 31, 2024. The audit findings resulted in unpaid municipal utility tax and franchise fees in the amount of \$74,589.13.

The City and Duke Energy wish to enter into an agreement to accept the results of the audit. In addition to formally ending the audit, the agreement also provides for a payment of \$74,589.13 to the City of Eustis from Duke Energy. The City's agreement with the third-party auditor entitles them to 30% of any identified savings. In this case, the City will owe \$22,376.74 of the \$74,589.13.

The agreement has been reviewed by the City Attorney and representatives of Duke Energy.

Budget and Staff Impact:

The impact to the budget is additional General Fund revenue for the City in the net amount of \$52,212.39.

Prepared by:

Lori Carr, Finance Director

Reviewed by:

Mari Leisen, Deputy Finance Director