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9. City Council approval of the Gustafson Park Development Agreement with Clay County Utility Authority (CCUA). *Michael Daniels*
  10. City Council approval of Mittauer Invoice # 25106 in the amount of \$446,770.00, and authorization for the mayor to execute Disbursement Request #5 (to follow) for permitting and design services for the Magnolia Point Reclaimed Water System & Potable Water System Improvements. *Scott Schultz*
  11. City Council approval of, and authorization for the mayor to execute, Amendment #4 to Loan Agreement WW10420 & Grant Agreement AG100421, which extends the Agreement date to September 15, 2025, for permitting and design services for the Magnolia Point Reclaimed Water System & Potable Water System Improvements. *Scott Schultz*
  12. City Council approval of the Sawcross (Tender Contractor) Pay Request #11, in the amount of \$228,920.55, and authorization for the mayor to execute Disbursement Request # 25 (to follow), for construction of the Harbor Road Advanced Wastewater Treatment Facility (HRAWWTF), as part of the Florida Department of Environmental Protection (FDEP), State Revolving Fund (SRF), Harbor Road Water Reclamation Facility (WRF) Expansion, Phase 2, SRF Agreement No. WW1000420. *Scott Schultz*
  13. City Council approval to surplus Electric Department Vehicle # 403, a 2009 Ford F-150 that has outlived its useful life. *Scott Schultz*
  14. City Council approval to surplus various small items from the police department. *Scott Schultz*
  15. City Council approval to surplus Parks Department Vehicle # 635, a 2009 Ford Econoline Van that has outlived its useful life. *Scott Schultz*
  16. City Council selection of a Citizens Advisory Task Force (CATF) to support application for a grant in the 23-24 CDBG Grant cycle. *Mike Null*
  17. Approval of Resolution R-04-2025, providing the disposition of \$2,000,000 in over-recovered electric Power Cost Adjustment (PCA) funds from FY 23-24. *Mike Null*

Stanley Forfa 1827 Shoal Creek Circle GCS expresses concern about the accuracy of a reported 11% electric rate increase, calculating their bill increase at 14% (or 13% after removing taxes and BPA fees), and questions whether the stated figure reflects an additional increase from the existing BCA. He speaks about a \$10 million surplus in 2020 and requests an accounting of how these funds, potentially over \$10 million, have been spent. The speaker also questions the justification for a 14% rate hike.

Mayor Kelley clarifies that the proposed 14% electric rate increase does not affect the BPCA amount and the rate study focuses on base rates, not the BPCA. They note that lower-than-normal energy costs over the past year have been a benefit, and the city has been buying energy futures to mitigate future cost increases.

Assistant City Manager Mike Null addressed the following concerns:

- Reserve Depletion: In 2020, unrestricted reserves were \$10 million, now reduced to \$3 million, as \$7 million was spent over four years to avoid rate increases. Ideally, rates

should have increased annually by about 4% to maintain reserves, but this was not done, leading to the current need for a rate hike as reserves are nearly depleted.

- Proposed 14% Rate Increase: This increase, to be noticed in April bills and discussed in May public hearings, applies only to base rates (per account fee, meter fee, and per kilowatt-hour charge), not the Power Cost Adjustment (PCA).
- PCA and Overrecovery: The PCA varies monthly based on energy production costs. A January 2024 rate restructuring moved two cents of the PCA into base rates, causing a \$2 million overrecovery in PCA funds due to a lag in implementation. The resolution proposes: allocating \$1 million to replenish the general electric fund reserves for capital repairs and replacements, not operations, using \$500,000 to repay part of a \$1.245 million fiscal year 2023 inter-fund loan to the general fund and retaining \$500,000 for PCA fluctuations, against a maximum ordinance-allowed PCA reserve of 8% of annual power costs (about \$800,000), to stabilize customer bills during high-cost months.

Mike Kelter 630 Myrtle Ave. GCS discusses concerns about the Power Cost Adjustment (PCA) and utility finances. He recalls passing an ordinance to limit PCA recoveries to 8% to prevent the city manager from diverting excess PCA funds into slush funds and supports returning over-recovered PCA funds (currently \$2 million) to ratepayers. He advises the city borrowed heavily for the electric utility, but electric sales have declined last year and are expected to drop again this year. Mr. Kelter is concerned about the proposed \$500,000 repayment of an inter-fund loan and whether it's an asset or liability and whether the funds are moving from the utility to the general fund or vice versa.

Finance Director Sue Wang advises the \$1.245 million is a loan that was taken out by the general fund from the electric department. So the half a million is essentially just forgiving the general fund the \$1.245 million

**Motion to approve Consent Agenda item 17.**

Motion made by Council Member Butler, Seconded by Council Member Johnson.

Voting Yea: Mayor Kelley, Vice Mayor Smith, Council Member Butler, Council Member Gaw, Council Member Johnson

**COUNCIL BUSINESS**

18. City Manager & City Attorney Reports / Correspondence

The City Manager and City Attorney made comments regarding various city activities, events, operations, and projects.

19. City Council Reports / Correspondence

The City Council made comments regarding various city activities, events, operations, and projects.