

## AGENDA ITEM 2-a

MINUTES OF REGULAR MEETING OF THE UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA, HELD MONDAY, DECEMBER 18, 2006, AT 6:00 P.M., AT 200 CANAL STREET, NEW SMYRNA BEACH, FLORIDA

Chairman Para requested Commissioner Allen to lead in an invocation and Commissioner Hall in the Pledge of Allegiance.

Chairman Para then asked for roll call to be taken with all of the Commissioners present as follows:

Chairman Kevin J. Para  
Commissioner Richard L. Spangler  
Commissioner Walter Allen III  
Commissioner Jeanne K. Diesen  
Commissioner William E. Hall

Others in attendance were as follows: R. Rodi, General Manager/ CEO; L. Klinkenberg, Director of Finance; R. Mitchum, Director of Electric Operations; T. Beyrle, Director of System Ops. & Generation; J. White, Director of Engineering; D. Hoover, Director of Water/ Wastewater; B. Mudge, Director of Human Resources; C. Montgomery, Acting Director of I.T.; E. Mahle, Public Information Manager; R. Wetherington, Materials Manager; D. Simmons, Executive Asst./Recording Secretary; and additional U.C. personnel; Bill Preston, Interim U.C. Legal Counsel; Vicky Koren, Reporter for the NEWS JOURNAL; Joel Addington, Reporter for THE OBSERVER; Bob Tolley, Bill Rogers, Sally Mackay, Kenneth Taylor, and a few other unidentified men and women, all members of the public.

### (1) Agenda Changes, Additions and Deletions:

There were no agenda changes\*, additions or deletions at this time. (\*Presentation of a line maintainer's certificate was cancelled prior to the commencement of this meeting.)

### (2) Approval of Consent Items:

Chairman Para stated next up is the approval of consent items.

Commissioner Allen stated I would like for us to discuss item 2-g.

Commissioner Hall stated mine is in consent items too, I believe its 2-f., and it's just a question.

Chairman Para confirmed moving of consent item 2-g. to be considered under number 8 (new business).

Commissioner Hall reiterated mine is 2-f. and it's just a question.

Chairman Para asked Commissioner Hall if he wanted to ask it now.

Commissioner Hall stated this is the agreement with our consultant in the IT Department, who has been helping us, and will be helping us, January through March. It says "I, the party, may

(2) Approval of Consent Items (cont.):

terminate with one week's written notice". I'm used to 90 days, is this common in this business?

Mr. Rodi stated generally there's more notice, in this consultant's particular case there's been a substantial amount of good performance with her and the expectation is that she would not leave us in a lurch; this has been an outstanding performer.

Chairman Para confirmed that adequately answered Commissioner Hall's question and then asked for a motion on the remaining items.

Commissioner Diesen made a motion to approve the consent items with the exception of 2-g. The items approved were item 2-a. Minutes of Regular U.C. Meeting Held 11-20-06, approve as submitted; item 2-b. Developer's Agreement and Addendum – American Martial Arts and item 2-c. Developer's Agreement and Addendum – Fox Firestone, approve both items and documents as submitted and authorize the General Manager/CEO to execute these documents; item 2-d. Deep Chloride Monitoring Well, approve and authorize Partridge Well Drilling Company, Inc. to perform the well drilling work associated with the deep chloride monitoring well in the amount of \$17,350.00, to award purchase order no. PON0003838, and authorize the General Manager/CEO to execute all documents associated with this matter; item 2-e. Bid No. 02-07 – Aerial and Padmount Transformers, approve and award Purchase Order Nos. PON0003864, in the total amount of \$236,430.08 to Gresco/Capstone Utility Supply, PON0003866, in the total amount of \$31,834.54 to Wesco Distribution, Inc., PON0003867, in the amount of \$181,663.95 to Stuart Irby Co, PON0003868, in the amount of \$128,210.80 to Hughes Supply, Inc. and PON0003869, in the amount of \$56,473.18 to Pauwels Transformers c/o John Carter & Assoc, Inc., the evaluated low bidders; item 2-f. Independent Contractor Agreement Continuation – Senior Network Consultant (B. Sanderson, Syntris Technology Consultants), approve the Independent Contractor Agreement by and between Bonnie Sanderson, dba Syntris Technology Consultants, Inc., and the Utilities Commission, and authorize the General Manager/CEO to execute on behalf of the Utilities Commission. Commissioner Hall seconded this motion and it passed unanimously on a roll call vote.

(3) Public Participation:

There was no public participation at this time.

(4) General Manager's Report:

(4-a) Monthly Summary Report for November, 2006:

Chairman Para directed this item to Mr. Rodi.

Mr. Rodi stated let me open by asking if there's any questions about the report itself that you need clarification on. There being none, he turned this over to Ms. Klinkenberg. He stated she has some overview comments. He added she gave you a little clarity with the financial summary; they're putting in pluses and minuses that help.

(4-b) Budget Summary through October, 2006:

Ms. Klinkenberg stated as all of you know the audit for 2006 is completed. Brent Millikan expects to present at the January Commission meeting. She stated I would like to thank the Accounting staff, which is Phyllis Young, Laurie LaFranca, Jenny Garland, and Karen Hoover, for an incredible job, we completed the audit in near record time. There were very minimal adjustments to the financials. The only material one was that we wrote off the balance of the accounts receivable for bad debt in communications of \$980,000, but now we have written off all \$3.6 million.

An unidentified woman in the audience asked how much.

Ms. Klinkenberg reiterated \$3.6 million.

The unidentified woman then restated you wrote it off.

Ms. Klinkenberg explained over three years, it's been the bad debt for uncollectible accounts receivable. She then continued by stating for the month ending October 2006, our change in net assets was \$422,000 for the combined system. Our forecast reports for the month reflect almost a \$200,000 favorable variance compared to our budget and that's owed greatly to the Directors of each Division really carefully monitoring and controlling their O&M expenses; so thanks to them. She stated one of our current ratios we were talking about for performance measures, for fiscal year 2006; we were at a 1.62 ratio, which the standard is 2.0. We've improved that already for October, we're at a 2.19 and for November we're showing a 2.41; so we're greatly improving that. She then concluded by stating that's all I have unless you have questions.

Commissioner Spangler stated I do have one question, we had that note paid off by Venetian Bay, and I thought that I read somewhere that those funds were to go against the mortgage. Did I read that anywhere, was that part of the sale?

Mr. Rodi stated there are two parts of that, one is that we asked Brent Millikan whether or not those dollars are confined against the loan, and they said no, those dollars could be used anywhere. The question is where best can they be used, right now we'll just park that into operating capital and then decide near the end of the year where to book that.

Commissioner Spangler stated I didn't know we had that leeway but it sounds like a better plan to me.

Mr. Rodi stated just for those of you who aren't familiar, we, sometime ago, sold land to Venetian Bay and they paid off their mortgage early and so that's the amount. I think the check was for what, \$1.89 million.

Ms. Klinkenberg stated \$1.918 million.

Mr. Rodi stated so it was a substantial amount.

(4-b) Budget Summary through October, 2006 (cont.):

Ms. Klinkenberg stated and none of that, just for clarification, is included in these financials at this time. It was received in December so it's booked in December.

Chairman Para stated this is a follow-up question to Commissioner Spangler, there's nothing in the loan, the FMEA (sic FMFA) loan that requires us to pay down pro-rata amounts, we're clean on that.

Mr. Rodi stated no, that's correct.

Mr. Rodi then stated I have an item, I would like to thank somebody for something if we're finished with that. This past weekend we had a Christmas Party, it was focused upon the children, and I'd like to thank Britney Todd, Brandy Keehn, and Ellen Mahle. It was, I think from everything I'm hearing, a wonderful event. The children loved it and it just took an incredible amount of work and love and I just thank you very much for doing that. He reiterated the kids just had a great time, so thank you.

Chairman Para commented a good idea there.

(5) Commission Counsel's Report:

Mr. Preston stated he had no report at this time.

Chairman Para then asked do you have any updates for us, someone in the audience had asked early on about the filing of the report with the FBI.

Mr. Preston stated I submitted a request for investigation to the Department of Justice on December 5, 2006, and I've heard nothing in response.

Chairman Para confirmed there were no other questions of counsel and then moved on to the next item.

(6) Committee Meeting Reports:

(6-a) Approval of Commissioner's Travel Expenses – Power-Gen International Conference 2006 for Chairman Para:

Chairman Para asked the Commission if they would like a report on the conference, an abridged version or the long one.

Commissioner Hall commented short, thirty seconds or less.

Chairman Para stated Mr. Beyrle and I, or just I was like a kid in a candy store; there were so many interesting items over there. The nice thing about Power-Gen, as I understand it, this is not only existing technologies where you can immerse yourself. Everyone has a different style of learning, mine is immersion, and I like to get in and around those kinds of things. It was

(6-a) Approval of Commissioner's Travel Expenses – Power-Gen International Conference 2006 for Chairman Para (cont.):

powerful as far as being able to learn and understand areas because this is not my traditional career track, having been in the power industry, so it was a great learning experience for myself. And also the new technology, of course you know I'm always going to slide over on the green side, there are some interesting things literally on the cusp of either coming on line or having been on line for some short period of time and they're still in the approving areas; more on that some other date. But yes, it was a very enlightening conference, I've got about 35 pounds of material I brought home with me. I apologize to Mrs. Simmons in advance for all the people sending stuff to me. So, thank you for the privilege of going and learning and I hope that there will be some fruit for the community out of it all. He then asked if there was a motion.

Commissioner Spangler made a motion to approve Chairman Para's travel expenses in the amount of \$781.27, for the above referenced Power-Gen International Conference 2006. Commissioner Allen seconded the motion and it passed unanimously on a roll call vote.

Chairman Para then asked if there were any updates on the little ideas we had together (committee information requests he had distributed at the prior meeting), and confirmed there were none.

(7) Old Business

There was no old business for consideration at this time.

(8) New Business:

Former Consent Item 2-g. Statement of Ethics and Conflict of Interest Policy:

Chairman Para asked Commissioner Allen what he would like to discuss about item g.

Commissioner Allen stated I believe this is a very important item, that as we carry it out, there are just a few things I wanted to look at as we implement. One question I had was on page two, letter (g), the wording there kind of concerned me where it talked about "ensure that no Commission resources of any kind are ever used for personal gain". When you think through something, I just think it needs to be clarified what we're talking about right here and now.

Chairman Para stated it's ironic, I read the same thing today, I'm glad you brought it up, I thought maybe I just didn't have the right perspective on it. But I was thinking if we as a Commission authorize an employee to go to school and that employee gains personally accreditation or whatever else, we want our people to do this and we don't want to enact a policy that lives in conflict with the best intentions of this Commission.

Mr. Rodi stated sure and that make sense. If I can suggest a little bit more in the way of words, if it reads "ensure that no Commission resources of any kind are ever used solely for personal gain without also benefiting the U.C. and with appropriate approvals". Does that allow for what we were trying to get at, it's obvious and the words are tricky.

Former Consent Item 2-g. Statement of Ethics and Conflict of Interest Policy (cont.):

Chairman Para stated I like the direction that we're going, I think that was one of the things. He then stated to Commissioner Allen, please continue.

Commissioner Allen stated that was just my prime on this whole thing. The paragraph under there, I think the word is expect, should be expected.

Mr. Rodi stated there are a number of little typos and we'll have to clean those up.

Chairman Para then asked if this document could come back to the Commission and if any of us have any input we could post it as a matter of public record, and it be brought back to us at another time. Would that be something appropriate?

Mr. Rodi stated that's your wish, you can do as you will with it.

Chairman Para stated that's what we'll do unless you all object.

Commissioner Spangler commented can we hold off 30 days on an ethics policy here in order to make some grammatical changes.

Commissioner Allen stated I don't think so.

Commissioner Diesen commented we should have had it three years ago.

Commissioner Spangler stated well three years are gone but 30 days don't have to be gone. Are these errors that important or should we make a statement that we should have had it three years ago, let's have it right now.

Chairman Para stated it's up to you.

Commissioner Spangler stated thanks, how does everybody else feel about that.

Commissioner Hall stated I agree with Commissioner Spangler, I think we need to do a little tweaking of the policy right now.

Chairman Para stated all right, want to do it page by page?

Commissioner Spangler then asked do we have time tonight.

Chairman Para stated why not, if we're going to do it, let's do it right.

Commissioner Diesen stated let's do it tonight and get it in effect.

Chairman Para stated right, page one, we'll just go all out, if you've got any suggestions or questions, statement of purpose, statement of ethics, policy on use of good judgment; none.

Former Consent Item 2-g. Statement of Ethics and Conflict of Interest Policy (cont.):

He continued to page two, and stated you wanted to mark this up how Mr. Rodi?

Mr. Rodi stated the modifications that I employed were in between the words used and for, I added the word solely, so it reads: used solely for personal gain, and then I added: without also benefiting the U.C. and with appropriate approvals.

Commissioner Hall stated to Chairman Para, I have a question back on the statement of ethics, on policy on use of good judgment, I want someone to define integrity for me.

Commissioner Diesen stated ask counsel, he helped write this or approved it.

Mr. Preston then stated you want a definition of integrity. He then asked Commissioner Hall where the context of the word is now.

Commissioner Hall stated its in the first paragraph under policy on use of good judgment, last sentence; "The reputation and good name of the Commission depends entirely upon the honesty and integrity of each one of us." Is integrity honesty, trustworthiness, or something else.

Commissioner Diesen interjected it's all of the above.

Mr. Preston stated I was going to say, I mean..

Commissioner Hall stated there are going to be times when, going back to the ethical policy, there are going to be times when an employee feels that somebody in the U.C. has done something wrong and is told by law enforcement or by you or by the State Attorney's office that they cannot speak about it. So they're asked by somebody else in the organization well, what do you know about this, and they say I don't know, they're not telling the truth.

Commissioner Diesen stated they don't have to.

Commissioner Hall stated in a real back-handed way they're not telling the truth but they've been told not to tell, so we've got to use some common sense on policies like this.

Commissioner Diesen asked why wouldn't they say I'm not at liberty to discuss that matter.

Commissioner Hall stated well they could say that.

Commissioner Diesen stated then they maintain their integrity.

Commissioner Hall stated but not all employees are going to be able to think that quickly, I'm not sure I could.

Commissioner Diesen stated you're not going to cover every situation, this is a general policy and there will be some little quirky things like that no doubt. She then asked Commissioner Hall, what is your definition of integrity?

Former Consent Item 2-g. Statement of Ethics and Conflict of Interest Policy (cont.):

Commissioner Hall stated honesty and trustworthiness.

Commissioner Diesen stated okay, you've answered your own question. She then asked Commissioner Hall if he had a problem with it.

Commissioner Hall stated no, I just wanted to be clear on it.

Chairman Para stated that's fine, no question is a bad question, just ask. We're done with one, made corrections on g. on page two, any further comments on page two?

Commissioner Allen stated just the next paragraph under g. it should be are expected, is that not correct.

Mr. Rodi stated that's correct.

Chairman Para stated all right, taken in consideration of that page, then page three, statement of conflict of interest.

Commissioner Spangler stated well here's one we can play with a little bit, "Every employee is prohibited in partaking in any activity or association that creates or appears to create a conflict between the employee's personal interests and the Commission's business interests". We're going to talk about something on Commissioner's time that gets into the appearance of a conflict so we'll define it in Commissioner's time how that applies but that has to do with us here, but I'm just wondering again, the appearance of a conflict between an employee's personal interests and business interests. Well, that's sort of an opinion isn't it.

Mr. Rodi stated may I interject something here because the purpose of this policy is to put some boundaries where currently none exist. If there is an issue, it gives an employee a vehicle to use to bring this forward. Secondly, if they don't want to bring it forward to the management, they're permitted to bring it forward either to me, to general counsel, or to Brent Millikan, and the idea is to have that opportunity to have it examined where previously it would not have been a vehicle to have it examined. So that, like many other items we deal with, until you start to get into the fact patterns of something, you don't pre-judge the person, it's just that here's a vehicle that allows someone to move forward with an issue, so that's the purpose of this.

Chairman Para confirmed there was no further discussion on page three and went on to page four, statement of conflict of interest (cont.), policy listing general ethical requirements, and employee acknowledgement form. He then stated okay, are we done and is there a motion.

Commissioner Diesen then made a motion to approve and adopt the Statement of Ethics and Conflict of Interest Policy as amended to become effective immediately. Commissioner Allen seconded this motion and it passed unanimously on a roll call vote.

(9) Possible Other Business – Time for Commissioners:

Chairman Para stated okay, Possible Other Business – Time for Commissioners, go ahead Commissioner Spangler.

Commissioner Spangler stated okay, and then to Chairman Para, this involves you sir. What my objective is here is to take something that is good and make it better without creating a problem.

Chairman Para stated I like that.

Commissioner Spangler stated thank you, so I have about a page I want to read here. When I saw our new website that the U.C. is going green, I read about one truck running on vegetable oil. Now this is a neat gimmick but it's not any kind of a quantitative energy saving program, nor is it a substitute for a renewable energy plan. I believe now is the time to get really serious about our public image and I believe seriously going green is the way to do it. I believe that the U.C. needs to take a clear path that will lead the public away from telecom and the recent rate increase. We need to counter the things that people are saying on the street. The truth is we do have higher rates than FP&L. The truth is we might have been able to delay the rate increase if so much money had not been lost in the telecom venture, however, despite the fact that money was gone before we got here, and despite the fact that the losses have stopped, and despite the fact that we're headed in a good direction now, we still suffer from the stigma of the problem we corrected. We need a strong, easily understood program to counter these public perceptions. I believe that going public with a green plan will be a path that not only can be highly visible but also will be much more easily understood by the public than all the financial contortions that we've put behind us. I see several obstacles standing in the way of taking the U.C. to higher visibility as a green entity. The first obstacle is "Our Green Coast". Okay, and what I want to do here is I want to turn something from a difficulty into a benefit. So the first problem that we have with "Our Green Coast" is that there's a lot of confusion caused by the lack of separation between "Our Green Coast" and the Utilities Commission. The press and the public seem to think that they're interconnected and I think that our Chairman needs to create separation between his job with "Our Green Coast" and his job as the U.C. Chairman so that the public and the rest of us won't be confused. I heard that he was considering stepping down as the leader of "Our Green Coast".

Chairman Para stated if you want, I could do that now but...

Commissioner Spangler stated okay, let me finish and then tell me what you want to do because you're going to see where I want to go with this. If the Chairman would do so, this would leave the Commission in the position of being able to work more closely with "Our Green Coast's" new board, which I understand they're going to elect. The second thing we need to clear up is the notion that the utility is moving in two directions simultaneously. The first direction is the path that the Commission has been pursuing as a result of the formal studies we've commissioned and the resulting plans we are pursuing for the use of the land west of I-95. The second direction that we appear to be moving in is the path advocated by "Our Green Coast", that would have the City provide parcels to green energy research entities, it would lease commercial land to companies that were green, and would allow green residential development on the land. The layout that "Our Green Coast" is using shows that they use all of the land. I

(9) Possible Other Business – Time for Commissioners (cont.):

think this is very confusing, I think it's in direct conflict with where the U.C.'s going, and I think it can get straightened out. Until recently, I found out several of the key people involved in this plan really had no knowledge of any U.C. plans for this land, so however much merit there is to such a plan, it is in direct conflict with the plans of the U.C. A more realistic plan needs to be worked out by "Our Green Coast" so that everyone can move along one clear green path in the future. The third obstacle that we have is our lack of good press. We spoiled the media with the sensationalism of the telecom exposé and all of its ramifications. Now what we are doing, however cutting edge some of our plans may be, appear ordinary by comparison. The most press we have had recently was when we increased the rates. Our new website is beautiful, only a few people will see it. We really include good information with our billings, and a few more people read this and appreciate what's going on here. But as well done as these are, and our other bulletins and the advertisements that we take have been well done, I don't believe they have a lot of impact when it comes to changing the public perception of the Utilities Commission. We need to give our P.R. staff something more substantial to work with if we're going to change the focus of our ratepayers from telecom and rate increases. I believe going publicly green would be that something of substance. We're moving in that direction now, let's clear up the confusion and move publicly in a green direction.

Chairman Para stated thank you Commissioner Spangler, if I could just add my comments. I tip my hat in appreciation to you that you articulated that in a formal fashion so that we could get through it all. I'll publicly state, as I have, I think it was about a week or two weeks ago after meeting with Kevin Schweitzer. If you all recall two years ago, Kevin Schweitzer and I, in my early days on the Commission, very green, stood up and made a presentation. Mr. Taylor, you were Chairman at the time and we presented what we thought was a beginning concept for "Our Green Coast". At the time there wasn't even a name of it, that came later on, of which Mr. Tolley has taken away; another discussion for another day. All that to say in the evolution of any process there are people who make contributions, I have made my contribution, whatever it is, on a personal basis and I have released that. Just as though I were to resign my Commission, I would no longer speak for this Utilities Commission in my 20% value. So I no longer am the spokesperson, liaison, whatever you want to call it, Kevin Schweitzer's doing that work and doing an excellent job. My wife and I both believe it was the greatest wisdom that I have shown shortly, and that was in a short period of time in my life, and that's to release that because it's flourishing and becoming more dynamic. It wasn't a question of trying to hold it back, it was just a question of finding somebody that would step up to the plate and do that. Everybody's got great ideas but it takes leadership and Kevin Schweitzer has shown that leadership and desire to do that. So again, yes, they can prove to be connectivity with the community. You speak of plans and conflicted paths and I'll get into that in my time for Commissioners regarding the email that was sent to us, and some questions that I have I would like some answers to publicly. But I think the process that we spoke of which are in the minutes of last month's meeting, is that this be a five-sided conversation regarding that property, and that we get ample input, and if something like the Green Coast becomes that vehicle by which people feel empowered to step up to the plate and begin the interaction process, then that's a really cool thing and I think it's great for people to do. So I hope that satisfies the question. I agree with you on all accounts, I think that, and I've shared with Mr. Rodi privately, we need to turn the page and I think 2007 will be that for us. As I saw at the Power-Gen Conference, if we're not out front we're going to be in

(9) Possible Other Business – Time for Commissioners (cont.):

the dust when it comes to this, and added we're the perfect size commission. We don't realize it, we continue to think in terms of what we don't have, and the money that we have lost, and the things that were done in the past that were wrong, but there's so many good things about this community and this company that we can extol and work on to the best of everyone's advantage. So it's tremendous, and you're right, things have got to sort things out, but they will as long as we're in unison on it and I see that happening. And I'll end with this, the answer to your questions or your assertions as you would naturally bring, are what we have in front of us, each one of us have a piece of what could be a comprehensive energy policy, green, and as we respectively and collectively work on those segments, we can drive into an overall package which would be very quality of life oriented for the City of New Smyrna Beach and green energy.

Commissioner Spangler stated okay, well that sounds good to me, you understand where I'm going about the confusion, you know, we just need to clear that up, we need to separate "Our Green Coast" from the Utilities Commission, even though we both want to go in the same direction. We need to keep them separate, we need to ultimately determine who's plan for that land we're going to use, but I just think that for P.R. reasons green is something everyone could understand and I think we need to push that. And I think that we also need to have some discussions with Kevin Schweitzer and those people, because we can benefit from their ideas and some of their ideas can happen. But I just felt that the agenda of "Our Green Coast" was the opposite of the agenda of the Commission, and there's nothing wrong with that but we needed to have that separated, and if any other Commissioner has a comment, I'd like to hear it.

Commissioner Diesen stated I think there are two fundamental questions that are overriding that haven't been touched upon, and hopefully, that's going to happen when we have a joint meeting with the City Commission; we do not operate in a vacuum. Number one, I consistently hear the rumor that there will be an attempt or there is a desire on the part of some folks to peel off the electric and sell it. Number one, that's a question that has to be answered before we know what we're going to do with the 800 acres. If that happens, then I suspect the 800 acres becomes free game. The second question is, if that gets answered the way we hope it will be, that no, there isn't a desire to sell, we do want to continue, then we have to decide the next question is are we going to do generation or are we going to continue to buy off the grid. Those are the two questions that have to be answered. Let's assume that no, we're going to keep the electric, and number two that we're going to go for generation. Then we have to decide is the 800 acres, is that the appropriate location for whatever kind of power we decide to generate. If it is, then that certainly takes front and center. I think those are the fundamental questions that have to be answered before we go any direction, any way, because that has to come about through our joint efforts with the City Commission. And as far as Green Coast, I guess I was surprised when I read about it, I think had you all had your discussion, and the 800 acres wouldn't have been the focal point, that you had just been looking for some property, instead of just, you know, latching on to that 800 acres, because it may or may not ever come to fruition for you, but you could certainly take your concept and go somewhere else.

Chairman Para stated it's not my concept any more.

(9) Possible Other Business – Time for Commissioners (cont.):

Commissioner Diesen stated right, but I think that was what everybody was a little bit taken aback by was the fact that there was this focus on that 800 acres, when in fact we don't know the answers to those two primary questions that I posed, and I think that's where we have to start. Green, green's great you know, but let's do the fundamentals first and then we can have a plan in place of how we want to go about becoming green. She concluded by stating those are my comments.

Commissioner Hall stated well I agree with both Commissioner Spangler and Commissioner Diesen. When we first, Commissioner Spangler and Reynolds and I, were first appointed to the committee, Mrs. Turano's position and the position of the U.C. was to, in order to get out of debt, was to sell those 800 acres or a part of it. We had discussions at several meetings about what should we charge per acre, \$35,000, \$50,000, \$75,000, and I think you're right Commissioner Diesen, we've got to come to a consensus quickly. I want to emphasize quickly because we have been, two of us, have been in office now for over 18 months, one for two months, and I think you and Commissioner Para for two or three years.

Commissioner Diesen stated two.

Chairman Para stated eight months to go.

Commissioner Diesen commented seems like three, but it's two.

Commissioner Hall reiterated eight months to go, and then added we're doing a lot of talking but I was always taught by my elders that actions speak louder than words and we can't be talking about this next year. We have got to make some hard, tough decisions, otherwise we're going to keep raising our debt and at some point the taxpayers out there, and I'm going to use the term taxpayers because a ratepayer is really paying a tax to some degree, there's going to be a revolt and they're going to say sell off the electrical component to FPL or to Tampa Electric or to somebody else because the rates are lower; what am I getting for my money. I want to assure everybody I'm a happy U.C. customer and have been for years but because of the telecommunications fiasco we are caught between a rock and a hard place and we've got to have some tough discussions with the City Commission because let's be frank about it, we are appointed volunteers, and they control our destiny, and that's the way the Charter's set up and I think we have to understand that, and I think they're like us. I'm not against Chairman Para's green idea but I think we've got some other issues we have to tackle first and tackle them quickly and get them decided and move on with life.

Commissioner Diesen stated that can't be done in a vacuum, it has to be done with the City Commission.

Commissioner Hall stated yes, you're absolutely right.

Chairman Para stated agreed and then asked for further comments regarding Commissioner Spangler's presentation.

(9) Possible Other Business – Time for Commissioners (cont.):

Commissioner Allen commented it's been a fun ride for three months.

Commissioner Diesen commented Merry Christmas and Happy New Year.

Commissioner Allen then stated I do like what I see in the three months I've been here and some of the things, especially the I.T. cleaning up their area and there's a big change there. Just a lot of small things that are happening here that folks I think feel better about the work place. I think there's a census of kind of turning it around. There's kind of a relieve of stress and we look forward to a great 2007.

Commissioner Diesen stated I do believe we've reached that point Commission Allen, I think we are beginning to turn the corner and I want to say how much I appreciate Mr. Rodi's leadership and the staff that we have that works so diligently. I've run into some people in the last several days who have nothing to do, you know they're not political junkies like some of us are, and they happened to know that I was on the Commission and made the remark well it looks like you're getting things turned around over there. So when you get outside that inner sanctum of political junkies I think maybe there is a different wave taking place and folks are beginning to realize we're serious, we've met it head on. It was a train, the light at the end of the tunnel was the train coming toward us, but I think we've survived. I also want to note that I'm reading everything that comes along and I'm noting that other folks who had lower power rates now have had some increases. They too have had some fuel and purchased power problems they're having to adjust, and I think we'll see more of that as we go into this next year so we're not going to look like the bad guys. We were just trying to be good guys too long without paying our way. And I think that we have a real opportunity as we move forward into 2007 and hopefully we're going to have a very good relationship with the City Commission and be able to bring some of these things to fruition real quickly, because I agree with Commissioner Hall, it's now, not later. She then stated and I wish everybody a Merry Christmas and a Happy New Year and added if that's politically incorrect, oh well.

Commissioner Hall thanked Commissioner Diesen and added I just want to say "Go Gators", Merry Christmas, and Happy New Year.

Commissioner Diesen interjected "Go Bucks".

Chairman Para stated I had a chance to call the Mayor last week and ask what would be the best time for us to meet, if you all have your calendars, he is recommending a Thursday meeting at 5:30, 5:00 to 5:30 p.m. So if the first Thursday in January suits you all, let's get it done.

Commissioner Hall asked what the date of that is.

Commissioner Diesen interjected not the first Thursday.

Chairman Para stated I'll have to turn my phone back on to find that out.

After a couple of comments, Chairman Para asked if that date was bad for Commissioner Hall.

(9) Possible Other Business – Time for Commissioners (cont.):

Commissioner Diesen commented how about the 11<sup>th</sup>.

Commissioner Hall commented to Commissioner Diesen about the bowl games and championship games.

Chairman Para then commented so pretty much the City business will stand still until we figure out the game schedule.

Commissioner Hall stated no, the fourth is okay.

Commissioner Diesen stated I don't know if it is or not because I don't know if I'm going to be back, but that's okay.

Commissioner Hall stated no, if you're not going to be back, we need to hold on.

Chairman Para stated yes, we're trying to get everybody together. The rest of you all are fine with the fourth, so Commissioner Diesen it's just you to tell us whether the fourth is good. And a default date would be what, the eleventh.

Commissioner Hall stated yes.

Chairman Para stated okay, so the fourth or the eleventh, all right we're in agreement, done.

Chairman Para then stated email, I had received this email, Mr. Rodi that said Direction Support in our Meetings. Just for the record I understand that the direction support we've currently given is the 230 KV substation, correct.

Mr. Rodi confirmed Chairman Para was talking about the map. He then stated it's more than just the 230 station, it was the Missimer groundwater sciences doing a test well, seeing whether or not we can harvest water from the site at what amount.

Chairman Para stated as far as specific policy we haven't spoke to any of these bubbles, these issues around here.

Mr. Rodi stated I have presented where, for example, our studies say that we will be 2 MGD short on reuse water, with a 40 to 50 day drought we need a 100 MG's. So this first representation was saying, just like Port Orange has a 100 acre storage facility, if we were to use the land all we could do would be to use the highlands if that would be possible and the map represented just how much of the land would be consumed by that. I presented that publicly twice\*. (\*During U.C. meeting held June 19, 2006 – item 4-e. Private Partnership - Water and Electric and during U.C. meeting held July 17, 2006 – item 4-e. Water Harvesting Concept. Additionally, on September 18, 2005 – item 7-a. Water Harvesting, presented by Missimer Groundwater Science, Inc.)

Chairman Para stated right but there was no specific action taken by the Commission as far as voting on this correct.

(9) Possible Other Business – Time for Commissioners (cont.):

Mr. Rodi stated that's correct, it was asked and I said not at this time.

Chairman Para stated right, until we decide the public, that's what we're saying earlier and that's what we're going to get with the City Commission and possibly flesh out some of these things. I'm not saying they're bad ideas or good ideas but with the alignment of Williamson and everything else this Commission has, as you said to me the other day, has not spoken to this property outside of the 230 KV, correct.

Mr. Rodi stated the 230 KV and the water harvesting project, those two items.

Chairman Para stated generally speaking but not bubbled here, bubbled there.

Mr. Rodi stated no, we have not detailed and we cannot detail until we do the next steps of the water study.

Chairman Para stated that's what I was under the impression as far as saying it's going to go here or there, we haven't got to that point.

Mr. Rodi answered no.

Chairman Para stated okay, thanks. He then stated next is JEA handouts. I had two years ago the privilege of being in Washington at a conference and saw on the bulletin board a gentleman by the name of Bud Para and being my name is somewhat out of the ordinary, it's not Smith or whatever, we made contact; he's the legislative director for JEA. Chairman Para then stated they're really a quality organization and handed Commissioner Spangler some information. He stated that organization is incredible in their forward thinking, everything that Commissioner Spangler spoke to, they are there and then some. I don't know if we can do this, Commissioner Diesen, possibly at our joint meeting we can discuss this, and Mr. Rodi, can we have like a sister organization, I'm not saying that they would adopt us but they're really neat people up there.

Commissioner Diesen asked who.

Chairman Para answered JEA.

Commissioner Diesen restated Jacksonville Electric Authority.

Chairman Para then stated I take it Commissioner Diesen's not a fan. So anyway we'll discuss those specifics at some other time. He added but they're a really cool organization from my perspective and has provided free of charge some good information for us to develop with respect to the programs that you're working on.

Chairman Para then forwarded additional information to Commissioner Hall and stated on the fuel they've got some good information.

Commissioner Hall confirmed this is from Jacksonville.

(9) Possible Other Business – Time for Commissioners (cont.):

Chairman Para stated yes, and then asked Commissioner Hall, you don't like them?

Commissioner Diesen reiterated JEA, then commented okay, you and Mr. Para hang in there.

Chairman Para commented he's no relation.

A woman from the audience then interjected we'd like to hear your comments.

Chairman Para stated anyway, they're very open and receptive to sharing any information, and as you all know they had set a goal, I believe it was 7.5% of their generation by 2015 was going to be green and they've also done some very good work with their City. Because the dynamic of JEA and their City is similar to ours, that's a good organization to look to for some of those good things that have developed out of it. That's part of the handout that I had, I've also got this Builder Magazine and they've got some articles on that, and added I've got some extra ones here for everyone.

Commissioner Hall then asked Chairman Para if he was going to hand out the article that appeared in the paper yesterday, or the day before yesterday, on prairie grass being the fuel of the future.

Commissioner Diesen interjected no, it's not.

Chairman Para stated actually that's my closing statement, what I'd like to do, and I respect Mr. Rodi's position that Ms. Simmons is your employee and we're not to be giving her directions, nor is anyone else to be giving her directions outside of you, but I'm going to set up a little news thing and any information that I read in the paper I would like permission to share it with you all. If I find it in the paper and I've checked with Mr. Preston and made sure it didn't violate the Sunshine, again just for information purposes, no comment, or article reaction. And that could be posted on our website if somebody wanted to do it or whatever.

Mr. Rodi stated I need to comment on that because you have cleared up tonight my specific objection. I could not distinguish between what it is you wanted to convey to the Commission as a person or as a representative of Our Green Coast. And as such, it was suggested to you that you could send that out clearly and it wouldn't be a violation of the Sunshine, and would not use this office to promote an individual cause. So that was the core question, that's been cleared up.

Chairman Para stated yes, and at the same time I'm not burdening your Administrative Assistant with things that might interest me or interest another Commissioner, so I'll do that on my own; I don't mind doing that. I realize that she's got enough to do without another job, so anyway if that's okay, I'll start sending out different things that I read and if you all don't want to receive them, just block me.


Chairman Para stated all right, with that, is there a motion for adjournment.

(9) Possible Other Business – Time for Commissioners (cont.):

Commissioner Spangler moved to adjourn and Commissioners Hall and Diesen seconded the motion.

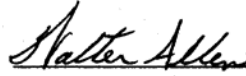
There being no further business to come before the Commission, Chairman Para closed the regular U.C. meeting at 6:48 p.m.

APPROVED:

  
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CHAIRMAN

ATTEST:

  
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SECRETARY-TREASURER

These minutes were formally approved by the Utilities Commission at their  
January 22, 2007 meeting.