

AGENDA ITEM 2-c

MINUTES OF REGULAR MEETING OF THE UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA, HELD MONDAY, MARCH 19, 2007, 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 to lead in the Pledge of Allegiance.

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

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

Others in attendance were as follows: R. Rodi, General Manager/ CEO; R. Mitchum, Director of Electric Operations; T. Beyrle, Director of System Ops. & Generation; J. White, Director of Engineering; D. Hoover, Director of Water/ Wastewater; C. Montgomery, Director of I.T.; P. Perez, Director of H.R., E. Mahle, Public Information Manager; D. Simmons, Executive Asst./Recording Secretary; Ken Bohanon, Esq., Substitute U.C. Legal Counsel; Melanie Stawicki-Azam, Reporter for the NEWS JOURNAL; and Bob Tolley, and an unidentified man, members of the public.

(1) Agenda Changes, Additions and Deletions:

Mr. Rodi stated just for information, Counselor Ken Bohanon is here this evening sitting in for Mr. Preston.

(2) Approval of Consent Items:

Commissioner Diesen stated I'd like to talk about consent items 2-f. and 2-g.

Chairman Para stated so we'll move those down to new business, correct.

Commissioner Diesen commented wherever.

Chairman Para stated let's just do that, asked if there were any other comments, and then asked for a motion for approval of the remaining consent items.

Commissioner Hall then made a motion to approve the consent items with the exception of items 2-f. and 2-g. as follows: items 2-a. Minutes of Regular UC Meeting Held 2-26-07, and 2-b. Minutes of Joint Public Hearing and Minutes of Special UC Meeting Both Held 3-9-07, approve all minutes as submitted; item 2-c. Bid No. 08-07 – Electric Meters for Central Stores, approved award of purchase order nos. PON0003984 in the amount of \$102,000.00 to Wesco Distributors, Inc., and PON0003988 in the amount of \$45,740.00 to HD Supply Electrical , LTD, the low responsive and responsible bidders; item 2-d. Bid No. 09-07 – Repair Platform on Pole and Upgrade Grounding at Tower for IT and Engineering Department, approved award of purchase

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

order no. PON0004011 in the amount of \$60,600.00 to Andrew Systems, Inc., the low responsive and responsible bidder; item 2-e. Bid No 10-07 – Cable for Central Stores, approved award of purchase order nos. PON0004007 in the total amount of \$91,998.20 to American Wire Group, PON0004008 in the total amount of \$53,220.04 to Tri-State Utility, Inc., PON0004009 in the amount of \$20,020.84 to HD Supply Electrical, and PON0004010 in the amount of \$26,048.00 to Gresco, the evaluated low bidders; (items 2-f. and 2-g. removed from consent agenda and placed for consideration under new business); and item 2-h. U.C. Customer Notification Policy and Procedures, ratified this policy and procedures as submitted and attached to the agenda item. Commissioner Diesen seconded this motion and it passed unanimously on a roll call vote.

(3) Public Participation:

Ms. Sondra Estes distributed a handout to the Commissioners she had prepared and then addressed the Commission. Ms. Estes commented you may not want to do this first, it's a little lengthy.

Chairman Para requested Ms. Estes to formally identify herself, adding I know you but it's for the record.

Ms. Estes stated her name and added she was a resident at 807 Craig Street.

Chairman Para stated what we'd like to do if we could is hit the high points, we generally like to keep it to three minutes. I realize you've written a nice two page letter but if you can kind of boil it down to some specific points and then we'll see if we can't address it.

Ms. Estes stated I'd be happy to volunteer as a trainer for the Utilities Commission because since the first of the year I have been sort of harassed, let's say, because of policies for final bills. I've had my electricity off for a week, on for five days, now it's been off again for another five days with a final bill. I worked for 40 years, over a period of 40 years, for an electric utility in Pennsylvania. I worked for an efficiency expert, I did everything from read meters in the field and by rights of way and that sort of thing. I think if a meter reader goes out into the field to put a notice for cut off, he should know where it's going, he should know where it belongs, he should be able to match up a meter number with an account number or a location and not have it flying down the street nowhere near the house where it should have been and never was. I have never had my electricity off in my entire life until this last month. Now they're asking for a deposit, I have two letters with different amounts on for deposits and it says all that in here. I would like the deposit waived, I would like to offer a cost study on the final bill situation because it's costing you lots of money to do a final bill type thing. I was responsible for 96,000 customers in Pennsylvania and I can offer some suggestions but right now I really would like my deposit waived because I've never had my electricity off in my life. There are a lot of extenuating circumstances that are explained in here.

Chairman Para stated all right.

(3) Public Participation (cont.):

Ms. Estes then stated I'm sorry that I'm late, I was trying to help a young man down below find where to put his night deposit in.

Chairman Para stated okay and then asked Ms. Klinkenberg if she would like to respond to this, you're sort of our financial person and have got all this stuff under control.

Ms. Klinkenberg stated to Ms. Estes, on the hang notice thing, there was a little confusion quite some time ago, back in July and August as to A or B because I guess you have a front unit and a back unit. According to your account it was noted in September that we changed the actual name on the account to say front or rear so we knew for sure which door to put the hang notices on. And yes, you were an excellent customer up until October of this year you remained current.

Ms. Estes questioned October?

Ms. Klinkenberg stated October was the last time your account was current, since then you've had a lot of late payments, a couple of cut-outs and I will note a couple of your reconnects should have been charged at \$40, we only charged you \$25 for those.

Ms. Estes stated oh no, I brought the slip in because they never ordered my service back on, this is a couple of weeks ago. They never ordered it back on and the night man, Don Taylor, told me to bring my yellow slip in on Monday morning which I did.

Ms. Klinkenberg stated I can only go by the information that is on your account.

Ms. Estes stated I paid the bill early in the afternoon and they never cut me on, I got home at 7:30 at night and it was never on.

Ms. Klinkenberg stated since October and I don't know for sure...

Ms. Estes interjected and I don't know about October, I've not had any trouble until this year.

Ms. Klinkenberg stated November is when you started getting late fees and your first hang notice was in December.

Ms. Estes stated no, my first hang notice was about three weeks ago or a month ago, and it wasn't hung on my place it was hung on a chain link fence out front and it was blowing down the street, it was nowhere near my place.

Chairman Para stated Ms. Estes if I could interrupt.

Ms. Estes stated and this is not the time for this.

Chairman Para stated let me interject here. He asked Ms. Klinkenberg if this was the first time you've seen this document.

(3) Public Participation (cont.):

Ms. Klinkenberg stated yes.

Ms. Estes stated yes, I'm sorry.

Chairman Para stated that's all right, this is what I'd like to do, Ms. Klinkenberg if you will please review this and if you want to, respond. He stated to Ms. Estes if ya'll can work things out we would prefer that ya'll do that and if there's still an issue regarding policy we'll address it. I don't see one here, I think this is unfortunately a series of circumstances that have gotten us to this point, so whatever we can do, we want to be responsive. We can't change policy on something we have done before customer by customer.

Ms. Estes stated but I don't understand with my electricity never being off before why I'm suddenly charged a deposit; I've had 30 years of electricity here.

Chairman Para stated I'm going to let Ms. Klinkenberg respond to you in writing on this and we'll handle it that way. Mr. Rodi I've got a question for you, this definition cut-on and cut-off, where does that come from.

Mr. Rodi stated when you disconnect services they usually refer to it as turning it on and turning it off. Sometimes the power has to be cut, the conductor has to be cut.

Chairman Para stated I've heard of that and I was wondering where it came from.

Mr. Rodi stated most times it's just taken care of right in the meter socket, they'll remove the meter, they'll put some plugs in there.

Chairman Para stated push on, push off, all right, thank you.

Commissioner Diesen stated this is an area that I hope we're looking at and we're getting all policies and procedures in place because I get more complaints about this area than I do anything else.

Ms. Klinkenberg stated we'll review them.

Chairman Para stated thank you, sounds like we're going to address this internally and then we'll get to it, and hopefully we'll get this resolved by the time we come together. If not, please come back to us next month.

Ms. Estes stated before next month, next week they want a \$200 deposit, which if I had a deposit would I be late in my bill?

Chairman Para stated there's got to be a current policy, I don't know that we can do this on the fly.

(3) Public Participation (cont.):

Ms. Klinkenberg stated there is a current policy in place.

Chairman Para stated to Ms. Estes there are other things that I'll be glad to visit with you after in a capacity, more in a community base, so we can talk about that later.

Ms. Estes stated okay, but I've never had, it's the principle of the thing, there's never been anything hung on my door and now they're asking for a deposit. You can't tell me that a meter person in the field doesn't know how to look for a meter number when he's looking at two buildings.

Chairman Para stated yes maam, we hear you, we've heard what you've said and we've got it.

Ms. Estes stated I certainly appreciate your consideration.

Chairman Para thanked Ms. Estes for coming this evening and asked if there was any additional public participation.

Commissioner Allen stated I would like to share one thing, we have automated debiting of your accounts, it's taken out of your checking accounts; it's one of the best ways. He commented I was a happy camper in New Smyrna when they got that.

Ms. Estes asked if she could respond to that, I'm sorry, my account at Regions has been violated and what a nightmare it is when your account has been violated through the use of a check card, automatic. I also understand to have budget billing you have to have automatic deposit and I'd like to have budget billing for the electric.

Chairman Para thanked Ms. Estes again, stated we appreciate your comments. There being no further participation, Chairman Para closed public participation.

(4) General Manager's Report

Mr. Rodi stated we'll talk about finances at this stage, as appropriate

(4-a) Financial Status January 2007 and February 2007:

Ms. Klinkenberg stated for the month ending January 2007 our change in net assets was approximately \$380,000 for the combined system. Our forecast report reflects a \$2.4 million favorable variance compared to the budget. Most of that is due to better controls and monitoring of our expenses. This time instead of reporting individually on the performance measures I included them in the agenda packets, that will make it a little easier. She then stated I think that's about it and asked if there were any questions.

There were no questions at this time.

(5) Commission Counsel's Report:

Chairman Para stated to Mr. Bohanon, you're filling in tonight, do you have anything you want to add.

Mr. Bohanon stated I have nothing.

(6) Committee Meeting Reports:

Chairman Para asked Commissioner Spangler if he had a report.

Commissioner Spangler stated I am prepared to take a little time since this is going to be a quick meeting. Initially, I was supposed to look into the green building, the LEEDS, but I also had said that I thought it was time for us to get into conservation. So I'm going to sort of combine those two and take about five minutes and sort of address my view of the overall situation and then a couple of observations about how we can begin to move in the same direction as other utilities, and I think we are. So if you will bear with me I'll read you this.

Chairman Para stated please do.

Commissioner Spangler stated I'm not addressing water conservation because without electrical energy we would not have water or wastewater capabilities. Although we could not exist without water, the world runs on power including the pumps that deliver our water. Also water conservation is not a major source of air pollution, it does not require massive amounts of electricity to produce, and although inexpensive water does have finite limits, water itself and the technology to purify it are in abundance. The same cannot be said of electrical energy, there are many finite limits to the production of electrical energy. Florida uses a lot of natural gas for generation and natural gas is becoming more expensive as its availability is compromised. While coal is abundant and keeps dollars within the U.S. it is still dirty. Alternative energy sources are on the way but none are a universal solution. Perhaps our RFI's will give a look at some sort of hydropower. Lacking that prospect it would seem that somewhere in the future distributed solar power generation may power our homes but the prospect for industrial power needs being met by solar, while improving, are not so bright. Atomic energy is unlimited but it takes forever to go on line and is very dangerous for a variety of reasons. Even if generation is able to meet increased demand, we still have serious congestion on our electric grids that cannot be overcome in any timely fashion. At this time it appears to me that our secure energy future will come from distributed solar for the homes with some other type of locally generated power for the rest of our needs.

Commissioner Spangler stated the problem lies in the gap between now and then, we may find ourselves making great adjustments in our way of living before we have satisfactory resolution. In the meantime we have to rely on managing our energy consumption to mitigate price and supply difficulties. Energy efficiency is the most affordable resource, this means conservation, using less energy in our lives. It sounds like a simple plan but it is not. Conservation requires public cooperation, cooperation will require public awareness and some system of incentives. Conservation of electrical energy reduces utility revenue that pays utility expenses. Maintaining

(6) Committee Meeting Reports (cont.):

a simple state of financial equilibrium while instituting conservation policies will require constant management. Our conservation program must find ways to conserve and yet not reduce revenues. I have a few observations as to how we might accomplish this balance; and added this is pure theory.

Commissioner Spangler stated first it would appear that conservation could be used to offset growth and demand. Every new energy demand can be offset by new conservation without reducing revenues. While this plan will not decrease aggregate demand it will work against increased demand. Staff would be responsible for maintaining this balance through the monitoring of existing demand and the results of our conservation initiatives.

Commissioner Spangler stated secondly, it appears that one area that does not in any way touch this revenue balance is building green. Savings obtained through a green building program would not reduce the existing revenue that pays already existing expenses. New construction is supposed to fund itself and to the extent that new demand is not met by existing infrastructure, new infrastructure will be paid for by new revenue and by new ratepayers. Building green will work against the rate of increase of demand, this is an area where our staff would work with developmental services across the street.

Commissioner Spangler stated third it would appear that our purchased power costs could be reduced without reducing the revenue used to cover fixed expenses by attacking peak power consumption. If we kept rates constant, savings realized through the shifting of consumption patterns would reduce expenses more than revenues allowing more room for conservation. Successfully implementing some shift in when power is used would require a program of incentives utilizing a combination of customer awareness and technology. We should remember that many of these initiatives and incentives may become statutory. The Utilities Commission has the jump on Senate Bill 360, let's keep things moving in that direction. He then thanked all for their indulgence.

Chairman Para stated excellent, I was busy writing but I just kept wanting to say amen all the way through it. This is great, I like where you're going, the concept of putting things in perspective. The other thing is to tackle, something that was kind of part of what I saw early on in our limited discussions publicly here, was that if we didn't get a handle on growth and this whole discussion that we had last week, you know I didn't want to jump into that but on this side of it, at this time, I will say that this is the best place for us to offer incentives or offsets. If we can take that issue instead of making it a negative, let's make it a positive, let's incentivise this whole process and have people start building so that there's a zero growth. Again let's take that zero challenge, we're not here like punitively, we're not trying to use this platform as some political measure to stop growth, our purpose is to cover our costs which you wrote so well in that email, we've got a real reason. But if these folks would just join us in this process and build green and build at a zero value then we wouldn't have an issue; so maybe they'll join us. He then stated to Commissioner Spangler excellent work, thank you, we'll of course have further discussions on this issue. He then asked if there were any other comments, there being none he moved on to the next item on the agenda.

(7) Old Business

There were no old business items to consider.

(8) New Business

(8-a) Declaration of Official Intent for Reimbursement – UC Bond Counsel:

Ms. Klinkenberg stated all this really is for is just in case clause, if we have something passed like that into our documents, if it comes a time when we do go out for financing needs for our projects, if we need to reimburse something, like I needed to pay for something before the funds actually came to us, it allows me to be able to do that, to reimburse. The \$40 million that's noted in there is just our maximum threshold, we are not going out for \$40 million worth of bonds.

Commissioner Diesen stated this is just, yes, I have a big explain beside that because I don't want us, bonding is so, so dangerous and scary, and sensitive, and all of those words as well as being good on different occasions, but you can get into so much trouble and I was real curious as to exactly what you were asking approval of.

Ms. Klinkenberg stated no, I'm just asking that if the time comes when we do go out for financing needs, whether its through a bank loan or whatever financial avenue we seek, is that if we need to reimburse ourselves for some expenses that we might have to put out before its actually completed, that we'll be able to do that.

Chairman Para stated okay, further questions.

Commissioner Diesen stated you mean you're talking about before it would ever come before us.

Ms. Klinkenberg answered no, I'm talking about we get the approval to go out for financing, and then it takes anywhere from 30 to 90 days depending on the type of financing to get the financing. If I need to pay for something at that point and we don't have the money yet, I would pay for it out of the regular operating account and make it reimburse when we get the money from the bank.

Commissioner Diesen stated are we putting a limit on this, is it the usual limits.

Mr. Rodi stated I think what happens is projects have already been approved or a project would come here to be approved so that the approvals been given and what we're dealing with is the cash flow with the bonds.

Commissioner Diesen commented it's just a switch out, but it's a little, okay thanks.

Chairman Para asked if there were further questions.

Mr. Bohanon stated I think there are some issues there, if we are going to do that it seems to me like it would be in a trust account for attorneys and that money be separate, only because there's

(8-a) Declaration of Official Intent for Reimbursement – UC Bond Counsel (cont.):

a possibility the financing may not go through in that time period and needing those assets which are already delegated in an operating account for other projects and not being available, I think that's one thing that needs to be discussed on this point if it's going to be approved here today. I'm not sure I'm in a position to do that, maybe Mr. Preston is for the next meeting but it seems to me that there's some, there are deeper issues there about funding and the expenditures of funds dedicated to one purpose and used for another.

Chairman Para stated well you're not, that's internally though, you make a good point, but he said to Ms. Klinkenberg, you keep the funds separated, there's no mixing of funds, right.

Ms. Klinkenberg stated no.

Chairman Para stated when they're borrowed to build a tank let's say or whatever, that's what they're there for, it's in accounting, we don't have to set up a separate account.

Commissioner Diesen stated well but if you're going to go internally and use other funds from another account which is what you're talking about.

Ms. Klinkenberg stated just from our operating account, that's where they come from.

Chairman Para stated yes.

Commissioner Diesen then stated has this been vetted by the attorney.

Ms. Klinkenberg stated it has been sent to Mr. Preston.

Commissioner Diesen stated and he's approved it.

Ms. Klinkenberg stated as far as I know he hasn't commented on it. She then asked Ms. Simmons if she remembered having a response.

Ms. Simmons commented Mr. Preston wasn't here, Mr. Bohanon picked up the agenda package.

Commissioner Diesen stated let's hold it.

Chairman Para stated better to err on, unless it's a problem to Ms. Klinkenberg.

Ms. Klinkenberg said okay, that's fine.

Chairman Para asked Commissioner Diesen if she would like to make a motion we table this.

Commissioner Diesen then made a motion for consideration of this declaration of official intent for reimbursement from the UC bond counsel be tabled, Commissioners Hall and Allen seconded this motion and it passed unanimously on a roll call vote.

(8-b) Removal of Deteriorated Tree – 200 Canal Street:

Mr. White stated this is the large old oak tree out here in the southwest parking lot and in your package you have an arborist's report. We pretty much concur with that, its old, its hazardous, its going to fall down, we don't know when.

Chairman Para stated it's a liability and yes, I concur, I clear land and I see the photographs and you're right, it's right on.

Mr. White interjected it can't be saved.

Chairman Para stated yes, it's too far gone. He thanked Mr. White and asked if there were further questions for him.

Commissioner Diesen asked has the City approved the removal.

Mr. White stated I don't think we received City approval yet, but added it's still going to fall.

Commissioner Diesen stated but you still have to have the approval, and commented it's what comes first, the chicken or the egg.

Chairman Para stated I think we're first here to give approval for you to go across the street.

Mr. Rodi stated that's all we're asking for.

Chairman Para then asked if there was a motion for approval of this.

Commissioner Allen stated I make a motion for going across with this, the deteriorated historical tree removal request to be taken to the City (a motion authorizing the forwarding of a deteriorated historic tree removal request to the City Commission for formal consideration). Commissioner Spangler seconded this motion and it passed unanimously on a roll call vote.

(8-c) 1.0 MG Substandard Effluent Storage Tank Addition:

Mr. White stated this tank is a regulatory requirement in that it goes with the plant size rating and we've been in the process of upgrading the wastewater plant from 6.0 to 7.0 MGD, million gallons daily capacity. We never achieved that, never allowed to log that capacity and use it actually until we have this tank built. It's a compliance requirement.

Chairman Para stated I know this issue's been floating around for almost a year, Mr. Hoover had mentioned it almost a year ago. He then asked if there was a motion.

Commissioner Spangler made a motion to approve award of the 1.0 MG Substandard Effluent Storage Tank Addition Project to The Crom Corporation in the amount of \$645,500 and authorize the General Manager/CEO to execute all documents associated with this award. Commissioner Allen seconded that motion and it passed unanimously on a roll call vote.

Consent Item 2-f. Revision of Purchasing Dollar Thresholds:

Chairman Para directed this item to Commissioner Diesen.

Commissioner Diesen stated no, I want an explanation, that's why I pulled it off.

Ms. Klinkenberg stated I'm going to ask Russ Wetherington the Materials Manager to speak to that.

Commissioner Diesen stated okay, purchasing I'm assuming.

Ms. Klinkenberg stated yes.

Mr. Wetherington addressed the Commission and stated good evening. He stated a couple of quick examples of this, probably the easiest one to explain with the volatile market on our wire bids and our transformers are probably the two big issues we run into. As you see we already had an item on here for wire already, and this is about the third time in the last six months we had to come back in here because the copper and aluminum prices are just going up and down so bad. A lot of the vendors that quote on these sometimes only give us a seven day or ten day bid pricing which we can't even get to because if I open it on the first of April and our next agenda item is the 16th of April, their price is no longer any good. That's just one of the problems we run into. The threshold is only trying to get us up to the dollar prices that we're on in 2007. I did some checking even after this agenda item was put in and a majority, not all, but a majority of counties, cities, and some of the utilities have gone to the higher thresholds because they're trying to get the pricing up because of the bid values that everybody's bidding on; that's really the nuts and bolts of it.

Commissioner Diesen stated okay, that's what I wanted to know, had you checked with others because I went on line and I was checking today doing the same thing, and some have and some haven't, you're right. And I understand it's a time sensitive thing that requires this, as long as we aren't getting anywhere out of lack on still getting our written bids and getting our sealed bids when appropriate.

Mr. Wetherington stated yes, and the thing I don't want get into is circumventing this system and say okay, let's order this month and order again next month, and then you're below the \$25,000. I would rather do it the most conscious way.

Commissioner Diesen stated oh, don't try that with me.

Mr. Wetherington stated no, I wouldn't do that, and they know that, that's why I'm saying that because I would never do that but you know some people play that game. I'm just saying I don't want to get in that game because I won't go there. I want to make sure we're economical getting our prices but also getting our prices back from the contractor because of the market going up and down so much. That's really the biggest issue, the market going up and down so much with the pricing.

Consent Item 2-f. Revision of Purchasing Dollar Thresholds (cont.):

Commissioner Diesen stated thank you to Mr. Wetherington.

Mr. Rodi stated if I may, just as a matter of protocol, since I've been here, any contracts that have been signed I have put them under, most times, under the consent agenda and I've done that more so you know what it is that we're signing so the dollar amount is not as important as knowing that these things are happening.

Chairman Para stated yes, you've taken that on yourself as a policy and I commend you for that, most CEO's like to be very private about that but I think that you've done a very good job with that very open policy. He then asked Commissioner Diesen if that was satisfactory on that.

Commissioner Diesen stated yes, so I'll move for approval of that item, a motion to approve addenda to the Purchasing Policies and Procedures Manual for an increase in dollar thresholds as submitted (increased thresholds to \$50,000 for sealed bids, RFP's and Commission approval, RFQ purchases to \$50,000 w/three quotes, and minimum three quotes to \$25,000).

Commissioner Allen seconded that motion and it passed unanimously on a roll call vote.

Consent Item 2-g. Independent Contractor Agreement – Senior Network Consultant:

Chairman Para then stated Commissioner Diesen, item g.

Commissioner Diesen stated right, my question on that is we seem to have been doing this under contract for some time and a continuing situation. Are we intending to fill that internally at some point in time with a full time person, we do not need them, a full time person, and a consultant will do it; a or b or none of the above.

Mr. Rodi stated sort of all of the above, what we're trying to do is implement new systems to have minimum staffing levels in IT. So what we've found is, in this individual we have an exceptionally talented person, and so what has happened is due to the implementation items we have been able to avoid hiring some people in IT. So what we have found for example in putting in the new 9.0, the Great Plains system, what we intend to do is use that expertise to carry us through. Eventually it would be good if we could hire this person as a, like a part-time regular employee, but at the moment the greatest value we could get is for specific technical expertise and using her as we have been. So what we're trying to do is rather than to keep coming back with this, and that's what we've attempted to do is just again make you aware that we would like to have this more open ended at this stage.

Commissioner Diesen stated and the fee is reasonable.

Mr. Rodi stated yes it is.

Commissioner Diesen added it's all encompassed within it.

Mr. Rodi stated overall it's a very good deal for us.

Consent Item 2-g. Independent Contractor Agreement – Senior Network Consultant (cont.):

Commissioner Diesen stated okay, I'll move approval then, a motion to 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.

(9) Possible Other Business – Time for Commissioners:

Mr. Rodi stated I have an item when it's appropriate.

Chairman Para stated please do.

Mr. Rodi stated right before the meeting I was made aware of some language in a developer agreement that is being considered by the City Commission. We previously, under the utility aspect, had provided language and the language has not been changed and it's depending upon your interpretation it's pretty far reaching. What we intend to do, and I've provided this language to Mark Rakowski previously, but since there are a couple of items coming up on the agenda I'm going to ask Jim White through Randy Walter to officially again tomorrow say we're not in agreement to the proposed PUD language that is going before City Commission for second reading.

Commissioner Diesen stated that's the Wednesday night meeting right.

Mr. Rodi stated that's correct and it just ties into a lot of other discussions that we've been having but at this point I felt it appropriate to bring it before the Commission and just make you aware and we'll follow up with the written communication.

Chairman Para stated so your response is we have a current policy, the City Commission's changing in essence the way it is interpreted in their PUD agreements therefore your response is to disagree with them.

Mr. Rodi stated it raises questions as to who the policy setter is for utilities and it gets into Charter questions. It is very sticky and I'm trying to be gracious about it and trying to work through this.

Commissioner Diesen stated so this may lead to the broader discussion on Wednesday night, is that possible.

Mr. Rodi answered that's possible, yes.

Chairman Para thanked Mr. Rodi for bringing the Commission up to speed on that, and then stated if there's nothing more from staff, Commissioner Spangler.

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

Commissioner Spangler commented I promised Mr. White I won't say anything Wednesday night.

Commissioner Allen stated I'd just like to thank Mr. Mitchum and his crew, I noticed they're doing a lot of maintenance and cleaning up things, kind of making the area look nice; a lot of good stuff going on.

Commissioner Diesen asked Mr. Hoover what's going on, on the North Causeway.

Mr. Hoover stated the North Causeway is a capital R&R item which is upgrading the force main from the main master lift station on the beachside, lift station no. 1, which is right off the end of Columbus. That's a 12" force main so it's sort of at peak capacity, the pressure's high and it increases our pumping costs off the beachside. It's fairly old, probably somewhere around 50 years old. The former wastewater plant on the North Causeway was built in 1964, I would think that's when those master stations were installed as well. We're replacing it with 18" high density polyethylene pipe that will be directionally bored under the river. Thad Construction is doing the work, it's actually going to be 21" on the outside but the inside will be closer to 18", and most of the pipe on the North Causeway will be then 18" and 14", there won't be anymore 12". And even in the section that's 14", that's a considerable upsize in capacity when you think Pi R squared, it's going up geometrically. So this is a great thing for us, it will give us more capacity to carry the beachside. There's times when it rains a lot and we have those stations start to back up, we're hitting peak loss of friction head and encountering that kind of pressure, it just raises your pumping costs.

Commissioner Diesen stated well, you obviously probably have figured out where I'm going with this, the questions I get are you know, is there reuse coming through here because they see the pipes and Buena Vista is still saying don't forget us.

Mr. Hoover stated sure, we get those questions too and we try to describe the fact that fitting the existing city with reclaim is the most costly way to approach disposal of our wastewater treatment.

Commissioner Diesen interjected those folks in Buena Vista just don't understand all that because they were passed by and so I just had to bring it up because I got several emails.

Mr. Hoover stated that may be one that becomes feasible, Engineering's looking into that for us, and in that it's already down Linear Park it has a closer ability to become reality than anywhere else in most sections of the older city.

Commissioner Diesen stated okay that will make some people happy tonight, thank you.

Commissioner Hall asked has there been any movement on the meeting between our staff and consultants, with the developers and their consultants.

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

Mr. Rodi stated we have a public meeting (staff workshop) on Tuesday, March 27th at 10:00 a.m. in this room and it is a meeting amongst the experts and so the public is welcome but the conversation will be amongst the experts.

Commissioner Diesen stated there will be no public participation.

Mr. Rodi stated that's correct.


Chairman Para stated if one was wanting to listen, what time would one show up.

Mr. Rodi stated 10:00 a.m., and then confirmed the date, time and location with Mr. White.

Chairman Para stated as a matter of administrative protocol, during the last meeting I brought up the issue of my responsibility at that time as the Executive Director of the Women's Care Center and fundraising. As of 10:00 a.m. today I have resigned my position with that organization so I do not perceive there even be a perception of impropriety or conflict of interest or anything else. So I wish to bring that up into the public square because I wholeheartedly agree with that set by our Governor, of openness in government and getting things out so there's no discussion; so again I'll bring that up and thank you all.

There being no further business to come before the Commission, Commissioner Diesen made a motion to adjourn and Chairman Para closed the regular U.C. meeting at 6:39 p.m.

APPROVED:



CHAIRMAN

ATTEST:



SECRETARY-TREASURER

These minutes were formally approved by the Utilities Commission at their April 16, 2007 meeting.