

AGENDA ITEM 2-a

MINUTES OF A REGULAR/REORGANIZATIONAL MEETING OF THE UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA, HELD MONDAY, SEPTEMBER 15, 2008, AT 6:00 P.M., AT 200 CANAL STREET, NEW SMYRNA BEACH, FLORIDA

Chairman Allen opened the Regular / Reorganizational UC Meeting and proceeded with an invocation and requested Commissioner Reynolds to lead in the Pledge of Allegiance immediately following. A roll call was taken and all of the Commissioners were in attendance as follows:

Chairman Walter Allen III
Commissioner Jeanne K. Diesen
Commissioner William E. Hall
Commissioner William H. Reynolds
Commissioner Oscar Zeller

Others in attendance were as follows: R. Rodi, General Manager/ CEO; L. Klinkenberg, Director of Finance; R. Mitchum, Director of Electric Operations; J. White, Director of Engineering; R. Lemoine, Director of I.T.; P. Perez, Director of H.R.; G. Markos, Risk Mgr./Safety Officer; B. Bilinski, Controller/Budget Supervisor; J. O'Brien, Materials Manager; E. Fisher, Public Information Manager; D. Wood, Customer Service Manager; D. Zorge, Customer Service Supervisor; D. Simmons, Executive Asst./Recording Secretary; B. Preston, Interim U.C. Legal Counsel; Bob Tolley, Steve Provost, and Erik Feldman, members of the public.

(I) Special Item – Reorganizational Matters

Chairman Allen stated the first item on the agenda, before we get into anything, is a time of reorganization, the election of officers as we conduct this first meeting in September.

(I-a) Election of Officers:

Chairman:

Chairman Allen stated we need to open nominations for Chair.

Commissioner Diesen stated I'd like to nominate the current Chairman to remain in the position.

Commissioner Hall seconded the nomination.

Commissioner Diesen stated move that the nominations be closed and asked for a verbal confirmation. There were no oppositions stated.

Chairman Allen commented he would accept the position and he was appointed to the position of Chairman for the ensuing year.

Vice Chairman:

Chairman Allen then opened the floor for nominations for Vice Chairman.

Commissioner Diesen stated I would like to nominate Bill Hall to remain in the same position.

(I-a) Election of Officers – Vice Chairman (cont.):

Commissioner Zeller seconded that nomination.

Commissioner Diesen then moved for the nominations to be closed and asked for a verbal confirmation. There were no oppositions stated.

Commissioner Hall was appointed to the position of Vice Chairman for the ensuing year.

Secretary-Treasurer:

Chairman Allen then stated next is the Secretary-Treasurer nominations.

Commissioner Hall commented I would like to nominate Jeanne Diesen.

Commissioner Diesen stated she did not accept that nomination. She then stated I would like to nominate Buzz Reynolds.

Commissioner Reynolds stated he nominates Commissioner Zeller.

Commissioner Zeller stated I second Commissioner Reynolds nomination.

Commissioner Diesen then moved for the nominations to close.

Chairman Allen stated Commissioner Reynolds has been nominated and seconded for the position of Secretary-Treasurer. He then asked for asked for a verbal confirmation and there were no oppositions stated.

Commissioner Reynolds was appointed to the position of Secretary-Treasurer for the ensuing year.

Assistant Secretary-Treasurer:

Chairman Allen the office of Assistant Secretary-Treasurer, in the last couple of years we haven't elected anybody into that position but I think we need to make a stab at doing that.

Commissioner Diesen stated I thought we did Secretary-Treasurer, we did it together.

Chairman Allen stated right, but this is for Assistant Secretary-Treasurer. We have not done that in the last two years but I think we need to have that position.

Commissioner Diesen then stated I nominate Mr. Zeller.

Commissioner Reynolds seconded that nomination.

Commissioner Diesen then moved for the nominations to be closed.

Chairman Allen then asked for verbal confirmation of all in favor say aye; there were no oppositions stated.

Commissioner Zeller was appointed to the position of Assistant Secretary-Treasurer for the ensuing year.

(I-a) Election of Officers (cont.)

Chairman Allen then requested a short recess for switching nameplates and then reconvened the meeting within two minutes.

(1) Agenda Changes, Additions and Deletions:

Chairman Allen then asked if there were any changes, additions or deletions.

Mr. Rodi stated no changes to the agenda but at the appropriate time, during "Commissioner Time", I have several items I would like to go over.

Chairman Allen stated okay.

(2) Approval of Consent Items:

Chairman Allen stated then we go the approval of consent items, we have six items on the consent agenda, and asked if there was a motion.

Commissioner Hall made a motion to approve the consent items, item 2-a. Minutes of Regular U.C. Meeting Held 8-18-08, approve as submitted; item 2-b. VCOG FY2008-2009 – Cooperative Bid for Water and Wastewater Chemicals, approve and award P.O. Nos. 8058 for \$58,500 and P.O. No. 8065 for \$35,100 to Jones Chemicals, Inc., P.O. No. 8060 for \$10,500 to Allied Universal, P.O. No. 8061 for \$8,800 to Harcross Chemicals, P.O. No. 8062 for \$35,700 to AirGas Specialties, P.O. No. 8064 for \$290,505 and P.O. No. 8066 for \$69,721.20 to Carmeuse Lime & Stone, P.O. No. 8070 for \$47,500 to General Chemical, P.O. No. 8067 for \$77,887.50 to C&S Chemicals; for a total amount awarded of \$634,213.70; item 2-c. Bid No. 14-08 – Property/Casualty Insurance for 2008-2009, approve and award to Florida League of Cities in the amount of \$234,421 and to Arthur J Gallagher Risk Management Services, Inc. in the amount of \$162,087, for a total of \$396,508; item 2-d. Bid No. 15-08 – Tree Trimming Services (Annual), approve and award P.O. No. 8051, in the amount of \$195,000.00, to Trees, Inc. to provide Tree Trimming Services; item 2-e. Proposed Settlement – Speegle Construction v. New Smyrna Beach Utilities Commission, to approve the proposed settlement in the amount of \$105,000.00 to Speegle Construction II, Inc., in exchange for a mutual release of all claims and authorization for the General Manager/CEO to execute same on behalf of the Utilities Commission; and item 2-f. Utilization of Volusia County's Intra-Governmental Service Agreement for Fuel Purchases FY 2008-2009, approve the renewal of the agreement utilizing the County of Volusia's Intra-Governmental Service Agreement for Fueling Services and authorization for the CEO/General Manager to sign the renewal agreement on behalf of the Utilities Commission.

Commissioners Diesen and Reynolds seconded the motion and it passed unanimously on a roll call vote.

(3) Public Participation:

Chairman Allen then opened the floor for public participation. There being no public participation, Chairman Allen moved on to the next item.

(4) R. Rodi - General Manager's Report:

(4-a) Financial Status – August 2008:

Ms. Klinkenberg stated for the month ending August 2008, our change in net assets is \$728,000 for the combined system, with the year to date total of just over \$6 million. Our forecast reports reflect a favorable \$406,000 balance. She then asked if there were any questions about the financial part. She stated if not, I have a couple of other things I wanted to let you know about. The preliminary audit for FY2009 (correction FY2008) is beginning. That's a compliance audit basically, and we delayed it a little bit due to the software upgrades, we just didn't have the time or the staff to focus on that so it's just beginning now. Part of that audit this year, for the first time, includes a very comprehensive risk assessment that's part of being in compliance with SAS112 and SAS114 which has to do with internal controls and corporate governance. Mr. Bilinski, our Controller, has been working on that for the past couple of months in order to compile all the information necessary for it; that should begin next week. And then next week, another compliance issue, I don't know if you have heard about the Red Flag Rule, it has to do with identity theft, protecting our customer information and identifying red flags that could lead to identity theft. Some U.C. staff members have gone to some training and then we'll have a policy that we'll be bringing before you at next month's meeting for approval. There will be procedures, that will be work in progress, and we'll be in compliance in time. And then I just wanted to let you know that September financials, just to give you a little heads up, due to year end we generally delay them a little longer because there's a lot of additional work that has to be done for year end close, so we'll probably be late on that.

Commissioner Reynolds then asked does the U.C. have adequate firewalls so that someone can't break into our system.

Ms. Klinkenberg answered that's probably more of an I.T. question but from what I know, from our I.T. Department, it's very secure. And we even have our consultant, Bonnie Sanderson, who works on that all the time to make sure that we're secure.

Mr. Rodi then stated just a comment, after the telecom transition we became very, very conservative in our approaches to the extent that we do not allow direct access for anyone to come into our system. And I know with our S&S customer system cutover it was a very contentious issue for them because most other companies allow direct access in and out. We required offloading to a separate server and then we work from there. So there's been a lot of policy that's been enforced and we've had several runs at folks wanting to even share our system, even our access lines in here, and we don't even permit that.

Commissioner Reynolds then asked another question, are any of the work station computers, can they go on the internet as well as into your financial system.

Mr. Rodi stated yes.

Ms. Klinkenberg added but only minimal people have access to the financial system, off the top of my head I think there are ten people.

Mr. Rodi stated and there are special permissions that are granted for people. For example, those that are buying power, we do route all that through our firewall, so we do have all of our screening

(4-a) Financial Status – August 2008 (cont.):

and security devices. Despite all of that, there's still a great deal of concern about the ability of hackers to get through. I know that we recently worked through a national problem that was related to the grid and the SCADA system access, even backdooring into the grid; so it gets to be very complicated.

Commissioner Reynolds thanked staff for the information.

(4) R. Rodi - General Manager's Report (cont.):

Chairman Allen then asked if there was anything else for the General Manager's Report or financials.

Mr. Rodi stated I think I do want to make a comment, at the first hearing of the U.C.'s budget at the City Commission meeting this last week, one of the statements I made is the U.C. has taken a risk on behalf of its customers because of the state of the economy, in absorbing a great deal of the high cost power. And at this point we're at \$4.5 million, which is a significant amount, and we're watching what's happening with the wholesale price of power. It's come down a little, Hurricane Ike didn't help much, some of the price run ups this past weekend weren't good, but what we're attempting to do is to monitor the effect of declining oil and natural gas prices that eventually should move to our providers and their generation. We would expect a flow through because they can't mark up fuel pricing. They however have been very good at taking advantage of the situation, so we have a close eye on that. That is what we have been doing, the collective we, to help during these very difficult times. If the pricing doesn't come down, then we will have to move to an increase. He stated I have been very careful to say we have no planned increase in base rates, however we're watching very carefully. He stated I think I delivered a relatively clear message to those who were in the City Commission meeting about that subject and how it's occurring and what we're doing about it. So I wanted to, since that's tied to financials, it was important to state because we've been able to accomplish this by not working certain projects. As you know, all of this has to be paid for somehow. We've been very conservative in what we've been spending money on, and that doesn't mean that we can put it off forever, it just means that we've been able to manage it at this point. So I wanted to contribute that information because I think it's been very significant.

Chairman Allen stated having been around that a little bit, hopefully we'll start seeing a little shift or a change because of the lag in the kilowatt hour sales to the amount of the dollars spent. Hopefully it will turn around in the next few months, but definitely, if we don't see a shift by December we'll have to be looking at something.

(5) Commission Counsel's Report:

Chairman Allen then confirmed with Mr. Preston that he had no report at this time.

Mr. Preston stated I have no report, open for questions, but no formal report.

(6) Committee Meeting Reports

There were no committee meeting reports.

(7) Old Business

There were no old business items to consider.

(8) New Business

(8-a) Easement for UC Outfall Infrastructure and Facility – Proposed UC Resolution No. 5-08:

Mr. Rodi stated he would like to provide a little clarification as to why this is here. Again, not last City Commission meeting but the previous meeting to that, there was discussion about the referendum for a couple of former occupied properties titled in the name of the City of New Smyrna Beach. In the course of the discussion in regards to the former wastewater plant where the City's administration building currently is located, there is an outfall for our wastewater plant that is basically there for reuse water when there's excess to move into the river. So we're essentially putting fresh water into the river and for purposes of the Mosquito Lagoon that's not necessarily a good thing but that's what happens. With the matter going to referendum, during the closure of that particular topic, a discussion occurred amongst the City Commissioners about an easement perhaps for that outfall. The answer that was given was well when we sell it or whatever happens to it, then we'll address that. I think that waiting until that time would encumber the process for those who are potentially acquiring that land and also from a standpoint of timing as to how quickly that transaction may or may not occur. So I asked Counselor Preston to put some language together and I think it's important to secure that easement at this time so that there's no misunderstanding about it with regard to that piece of property. He stated to Mr. Preston I didn't mean to rattle on too long but I wanted to provide that background.

Mr. Preston commented that's the attorney's role, to rattle on too long. But no, I agree with what you said, I think that actually the City would welcome the initiation by the Utilities Commission to get this easement in place simply because the closing process could be held, if in fact they found a buyer for the land if that was ultimately decided. And the process could take some time simply because we don't have legal descriptions as to the placement of the easement anyway. So we would need to do the underlying work in order to get that in place and to begin that now would be certainly advantageous I believe for the City as far as timing of the sale, but also for the Utilities Commission because we need to preserve that use of that property.

Commissioner Reynolds stated question. I apologize for not being as familiar as I should be on the exact locations of that outflow and our utility building that's there. One, the question would be what would be the cost of moving it to the borderline of the property. It seems to me that it's almost there anyway.

Mr. Rodi stated it's near the borderline to begin with, there's a chlorinator building and a pipe. The outfall itself is to the east of where the chlorinator building is, but it's not readily moved. It is specifically permitted, it is site specific, our CUP and Wastewater Plants Permits depend upon it. So I'm not inclined to even approach anyone about moving it because it puts all of that in jeopardy; so that's the significance of its location.

Commissioner Reynolds stated a follow-on question if I may, also we have a bunch of utility pipes running through there, from east to west, is that correct, so that would be part of the easement also.

(8-a) Easement for UC Outfall Infrastructure and Facility – Proposed UC Resolution No. 5-08
(cont.):

Mr. Rodi stated no, what we're looking for at this point is just the outfall. There are left over pipes that would probably have to be relocated with development anyhow but they don't have as much significance because they can be moved and they aren't tied to the permit, where this is locked down.

Commissioner Reynolds stated would this provide us, for instance if someone said I'd like to buy that property if that's what the referendum comes up with, we would have to legally inform them of all of that particular information that we know as I understand it.

Mr. Preston stated that's correct. There would be an easement that would eventually be in that particular site, how it's obtained is really where we are tonight. This would logically be the best and least expensive and shortest in terms of time method if we were to begin that process tonight, identify the locations in terms of a legal description, and get the easement in place prior to any transaction.

Commissioner Zeller stated question, at whose expense are the other pipes going to get moved.

Mr. Rodi stated our expectation is, as has been stated by the City Manager, that part of the acquisition of the property would include the cost of the buyer's relocation of pipes as necessary for their development. We'll see what happens at that point but our preference at this point to have the easement recorded for the property and this way it's readily observable by anyone who does a title search; that should take care of that.

Commissioner Reynolds stated wouldn't it also be our responsibility to point out all of the concrete that's buried.

Mr. Rodi stated I think if someone asks we can tell them what we know, or think we know. One of the things we have found out, like most old prints, they're not quite what you think they are. And we found that out at the Third Street Avenue tank project already. So we can share with them whatever it is we think we know and we would do that readily anyhow.

Commissioner Diesen commented I think we found out with the City Marina that even Engineering firms that come in and check it out don't always find out what's down below.

Chairman Allen added I think the Commission is in a fairly good position as far as the site itself, as it was fairly organized as the construction of that site went on, so there's probably definitely some prints around that will help a lot as the City moves forward on that. But the main thing is to get the easement for the outfall so that is in place. God forbid if you ever had to try to relocate that and go through that process, it's a major move, it needs to be in place.

There being no further comments, Chairman Allen asked if there was a motion to approve the resolution.

Commissioner Diesen made a motion to approve the proposed resolution attached to the agenda item declaring the intent for U.C. legal counsel to prepare an easement for the U.C.'s outfall

(8-a) Easement for UC Outfall Infrastructure and Facility – Proposed UC Resolution No. 5-08
(cont.):

infrastructure and facility to submit to the City Commission for approval. Commissioner Reynolds seconded this motion and it passed unanimously on a roll call vote. This resolution was numbered 5-08 and became effective immediately upon passage.

(8-b) Resolution of Authorization – Wind Retrofitting Grant - – Proposed UC Resolution No. 6-08:

Chairman Allen introduced the next proposed resolution.

Ms. Klinkenberg stated that she could talk about this. Mr. Tim Beyrle went out to get grant funds that were available to basically batten down the hatches at all of our major facilities during storms. We were approved for two of our facilities, we were approved for the Electric Operations building and for the Water Treatment Plant. The Wastewater Treatment Plant did not get approved and I believe that had to do with the size of the facility.

Mr. Rodi stated yes, the Wastewater Plant was not of a sufficient size.

Ms. Klinkenberg stated but the other two facilities, they're going to pay 75%, it will only cost the U.C. under \$30,000 in order to move forward with this. Once we get your approval on moving forward with accepting the grant funds, then we can go out to bid and get all the documents filed and signed and have this ready for next hurricane season, hopefully.

Commissioner Zeller asked if the U.C.'s gets the money before we start, FEMA's agencies are sometimes lagging a couple of years.

Mr. Rodi stated on this one it's supposed to be a grant and so upon approval we will request it. Our expectation is until we are near commitment that they won't give us a voucher for that. So I think we have a lot more process to go through yet because in part of the commitment the bid will have to specifically say this portion FEMA funded and balance; so we need to be careful with that.

Ms. Klinkenberg stated FEMA has actually been very, very good about fronting funds when necessary, so I don't think that would be an issue. Perhaps they're a little better with municipalities than private individuals.

Chairman Allen stated I think they probably are going to want to know that you've already walked through a process, the bid process, and the company. Once all that's in place then we'll see those things come together. Also, I noticed on the paperwork that they want the grant agreement to be executed by the Chairman.

Mr. Rodi commented you see what importance that is.

Commissioner Diesen stated I think it's cool we're having a combination of the roll down and the armor screens; I like the armor screens.

Chairman Allen then asked what were the particular areas as far as the armor screens, where are those going.

(8-b) Resolution of Authorization – Wind Retrofitting Grant - – Proposed UC Resolution No. 6-08 (cont.):

Commissioner Diesen interjected the windows.

Mr. Rodi stated I don't really know the details of where the armor screens are going to be over the roll downs, so hopefully they'll be where they have a view.

There being no further questions or comments, Commissioner Reynolds made a motion to approve the resolution attached to the agenda item for authorizing and accepting federal grant funding for wind retrofitting the Electric Operations Center and the Water Treatment Plant, and authorization for the U.C. Chairman to execute the grant agreement on behalf of the Utilities Commission. Commissioner Hall seconded this motion and it passed unanimously on a roll call vote. The resolution was numbered 6-08 and became effective immediately.

(9) Possible Other Business – Time for Commissioners:

Chairman Allen recognized Mr. Rodi for his items.

Mr. Rodi stated I have two items, the one I'll start with is an email we received about a change in date for the Joint Workshop. To our knowledge there was not City Commission discussion about changing the date. The date that was tendered I think was October 30th and I don't know what your preference is with regard to that date. So that if you wanted to acknowledge it or not, I really don't know what the driver other than what the email said about a couple of meetings that were occurring that same week. If you would prefer, I'll have Ms. Simmons call again and ask if that's convenient for you. But additionally, there's the issue of the subject. As you may not recall from the last joint meeting, we were talking about conservation and efficiency measures and some of the things we have and haven't done. I would presume that the conversation and the subject would pick up on that point but there still is not any subject matter agreement amongst the two Commissions. I would suggest that perhaps that's the kind of thing where the subject matter should be agreed to by the Commissioners and not necessarily staff. So those are two aspects of meeting time and secondly the subject matter. I wanted to bring that to your attention and I can leave it to a phone call, or if you choose to decide and discuss it now, that's fine. If you choose to do otherwise, that's fine too.

Commissioner Hall stated I've got a problem with the date, I'm out of town.

Commissioner Reynolds asked which one.

Commissioner Hall stated October 30th.

Commissioner Zeller stated I think I do too. He then commented election is following the next day.

Commissioner Diesen stated no, that's a Thursday, Halloween's the next day.

Commissioner Zeller stated I'll be gone most of that week.

Chairman Allen stated so basically that's going to push it over into November some time.

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

Mr. Rodi stated at this point, if I'm reading you correctly, I'll have Ms. Simmons contact each of you individually and if you have a particular subject you'd like to discuss whenever that meeting occurs, then we can throw that out there too. Is that acceptable?

Commissioner Diesen stated the original date was the 16th right.

Mr. Rodi stated yes, I think it was the 16th, which was also Thursday.

Commissioner Reynolds stated well, can we go back with, it seems to me it would be nice of us to go back with the City to some agreed dates, say in November, to give them an option, so if we say the third, fourth, or whatever. I also agree that the Commission should probably come up with what subjects we think would be very germane in a joint meeting. I think just to have a meeting for meeting sake is not good, but I think from a cooperation standpoint it's essential that we have some decent stuff to grab hold of. He stated some of our concerns about, for instance, carrying forth trying to help people that are misfortunate enough not to have sufficient funds to keep electric on in the house. What our long range plans are, I think that would be a good discussion item. I think progress on major projects, tell them about that would be good. Any impact on the City from the standpoint of their programs versus ours, yes, I think we should.

Chairman Allen then asked if there were any other comments on that subject area. He then commented we will hear from Ms. Simmons.

Mr. Rodi stated the other item relates to a proposal by Venetian Palms in front of the City Commission to modify their PUD. Part of the modification includes a community development district (CDD) and the reason why I raise it here is at the conclusion of that City Commission meeting one of the Commissioners raised the subject of the U.C.'s review of a CDD with regard to Venetian Palms. We had sent to you by email some background information of what a CDD consists of and the can do and can't do provisions of a CDD. For those of you who had remembered that presentation, it was made here with respect to the addendum. In our developer agreement and addendum with Venetian Palms there is the opportunity financially to finance infrastructure with a CDD. As I understand the proposal by Venetian Palms, they haven't stated that is what they're attempting to finance. I think they're trying to finance an amount of money for an affordable housing segment of the development by creating a second mortgage situation so that a similar home for a firefighter, teacher, police person, lineman, might qualify for a benefit in order to afford the house. Now I'm not sure that I'm understanding it correctly, but there are other provisions of a CDD that would be in conflict with our Charter and I would presume that our Charter is predominant over those provisions. I fully don't know what this is all about but from a financial standpoint, CDD's are already acceptable to the U.C. and it's stated in the addendum. So the consensus of the City Commission was that the U.C. should be asked about the CDD, which is what I'm doing, and since we have defined already the role of the CDD with regard to the U.C., I thought it best just to discuss it and see if I'm tuned up right or whatever. I gave you an extra amount of reading if you care to dig into that but it is detailed enough to provide a significant background on CDD's. So if there's anything that I need to be counseled on, please let me know, but otherwise I think our position is we've already covered that with Venetian Palms.

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

Chairman Allen stated I have no experience with them but I would just have some kind of questions. Would it impact us as a Commission as far as the infrastructure that was being built, under a CDD if they started development, are we going to be on the front end of that development as far as the quality of the development should they go out and get their own contractors.

Mr. Rodi stated I think what is in play right now is we have a number of existing agreements. The infrastructure external to the subdivision will be constructed by the North Village aka Jerry Johnson, Venetian Bay, and that relates to water and wastewater lines. Internal to the subdivision, like any other PUD, the developer hires their own and of course builds that infrastructure and then that infrastructure is turned over to the U.C. with a one year warranty, if you will. What could complicate this is that the agreement with Venetian Bay includes the external infrastructure costs and there's a subsequent agreement between Venetian Bay and Venetian Palms as to how they worked all that out. If there is a request for Venetian Palms to include dollars for all of that infrastructure, of all parts, then what we as the U.C. have in our addendum is the provision of making us whole. So that the position that we would take is that whatever the agreement was in terms of dollar reimbursement or value between Venetian Palms and Venetian Bay would have to be financed and those monies would go to the U.C. because that's where those monies would have gone anyhow. And then there's an irrevocable Letter of Credit that would have to be returned and its value then compensated to the U.C. Then the financing for the internal infrastructure would have to become a part of the CDD as opposed to being self funded which is what we assumed that Venetian Palms was going to originally. You can see it's pretty complicated but I believe our contractual arrangements are sufficient. I don't perceive at this point that the CDD infrastructure funding was to be as extensive as infrastructure fees and to revisit all of that, but I don't know. Obviously the assurance of having utility services depends upon the obligation to fulfill those contractual obligations, so if they're not fulfilled I would presume that there would be some other questions. So it seems, like everything else, very simple on its surface but always complicated. Mr. Rodi then asked Mr. Preston if he had covered that and didn't make any left turns.

Mr. Preston stated the interesting thing is there are a lot of left turns and I guess that's what keeps me in business.

Chairman Allen then asked if this was the first one around this area.

Commissioner Diesen and Mr. Preston indicated no, it wasn't.

Chairman Allen then asked if they've worked well around here.

Mr. Preston stated I would venture to say this is the first one with these complexities though because we have such an interrelationship between various developers; to segregate those is going to be of interest.

Commissioner Diesen stated ICI has used them in the area. They're not always as they appear, if you read the background in the state of Florida with some of the CDD's around the state, there would be some homeowners that would have some harsh words in some sections.

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

Mr. Rodi stated that's why in the back of the explanation if you got that far, are a couple of recent newspaper stories about some of the complexities now involving CDD's and interest rates and what's happening and defaults; all of those words that are becoming too familiar to us all.

Chairman Allen stated that's one of my prime concerns, it's not just for that particular area out there, but for the total utility itself, it can be an impact, not today but down the road sometimes.

Chairman Allen confirmed Mr. Rodi had nothing further and then asked the Commissioners if they had anything to discuss.

Commissioner Hall stated he just wanted to congratulate staff on the energy fair. He stated it kind of sneaked up on him but it was well done.

Mr. Rodi thanked Commissioner Hall and added I think Mrs. Fisher is much relieved that it's behind her now.

Chairman Allen commented not another one in the near future.

Commissioner Diesen stated there's one next year right.

Mr. Rodi stated yes.

Commissioner Hall stated that should be an annual event shouldn't it.

Commissioner Diesen stated it is isn't it.

Mr. Rodi stated to be shared by different communities, we're going to move it around.

Commissioner Diesen commented but you're going to lend Mrs. Fisher to lead it in each city, right.

Mr. Rodi stated she's going to give all the advice and counsel they would like.

Commissioner Diesen commented she's had the experience, it's only fair that we share. She then stated it was wonderful and I heard a lot of good comments from folks who went to it, it was great.

Commissioner Reynolds stated they thought it was better than the Home Show the people that I talked to.

Commissioner Diesen commented I jumped the gun and that's all I wanted to say, it was wonderful.

Commissioner Reynolds stated ditto on that.

Chairman Allen stated it definitely was a great fair. He stated I think there was a very positive outflow from the community to be a part of that and it was very informative.

Commissioner Diesen then commented thank you for the gift.

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

Mrs. Fisher explained that was the shower head exchange that the U.C.'s beginning October 1st. That will be given to customers who bring in their existing shower heads of 2.5 gallons per minute, and in the bag there's a 1.25 gallon per minute showerhead. She stated the reason we're requesting the customers bring their old showerhead in is to insure they actually get exchanged rather than just collected. And also in there are a kitchen aerator, two bathroom aerators, a cycle flow diverter, and the bag itself is neat as it is a measurement for actually figuring out your actual flow, it's gallons per minute. So it should be a very helpful bag and just for your information the showerhead is from Niagara Conservation and has been tested by myself. It is not, there is nothing, as my husband is remarkably picky and he can not tell any difference that it's a low flow showerhead. So that was one of the key elements was making sure it was adequate flow. It should be good and we have 500 on hand and we have set aside funds to purchase up to 1,000, so we'll see what the demand is from the customers. If it's any indication by the rain barrels, it should be pretty high.

Chairman Allen stated one comment I wanted to make is I was out of town last week, over in the Panhandle coming back Friday afternoon evening, and it was amazing to know that Hurricane Ike was heading toward the Texas coast. I saw over 200 bucket trucks heading west on I-10 and I saw two semis loaded with large generators going in, and not counting all the derrick trucks that were heading that way Friday evening. You know we look and we think about storms that come and go, and this year we've pretty well been blessed not to have any hit us directly, but I'm always reminded and I'm never surprised as disasters hit areas utilities always respond to get in there and restore power. The news media is saying four weeks, sometimes six weeks for power to be restored but I think we're going to be amazed with the response that goes in and as they pull together to bring the infrastructure back together, that we'll see power restored in two weeks. Personally that would be my goal to see as they work together and strive to work safely. As the populace of the Houston area and across even parts of Louisiana and Mississippi took some pretty good beatings, as they're patient and those folk work through in a timely manner and a safe manner, we just see those communities rebounding in resilience and it comes from the participation of good workers and safe workers. He then added and I appreciate the workers here at the Utilities Commission as they work safely. He stated it's great to serve another year here and to see this place continue to grow and be a City that will reach out and be an effective City for our citizens.

There being no further business to come before the Commission, Commissioner Reynolds made a motion to adjourn and Commissioner Hall seconded the motion. Chairman Allen closed the regular U.C. meeting at 7:46 p.m.

APPROVED:



CHAIRMAN

ATTEST:


ASST. SECRETARY-TREASURER

These minutes were formally approved by the Utilities Commission at their October 20, 2008 meeting.