

MINUTES OF JOINT WORKSHOP OF THE CITY COMMISSION AND THE UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA, HELD MONDAY, JUNE 19, 2008, AT 6:00 P.M., AT 200 CANAL STREET, NEW SMYRNA BEACH, FLORIDA

A. Roll Call

Mayor Mackay stated good evening. This is the joint workshop between the Utilities Commission and the City Commission, date is June 19, 2008. She then requested a roll call.

Ms. Lowry, the City Clerk, called the roll of both Commissions as follows:

City Commission:

Mayor Mackay
Vice Mayor Richenberg
Commissioner Grasty
Commissioner Hathaway
Commissioner Plaskett

Utilities Commission:

Chair Allen
Vice Chair Hall
Commissioner Diesen
Commissioner Reynolds (ABSENT)
Commissioner Zeller (ABSENT)

Others in attendance were as follows: J. Hagood, City Manager; F. Gummey, City Attorney; J. Lowry, City Clerk; B. Preston, Interim U.C. Legal Counsel; R. Rodi, UC General Manager/CEO; L. Klinkenberg, Director of Finance; R. Mitchum, Director of Electric; T. Beyrle, Director of System Operations & Generation; J. White, Director of Engineering; P. Perez, Director of H.R.; R. Lemoine, Director of I.T.; B. Bilinski, Controller/Budget Supervisor; E. Mahle, Public Information Manager; D. Simmons, Executive Administrator; Melanie Stawicki-Azam, Reporter for the NEWS JOURNAL; Janye Durrance, Reporter for the Hometown News; Bob Tolley, Bill Rogers, Robert Rees, Richard Spangler, and an unidentified woman.

Mr. Preston requested to speak before the workshop began. He stated I have been advised that there has been streaming video capability installed here for the DeBerry Room for meetings. Though not required by law, I thought that it might be appropriate that if in fact that's being used for this meeting, that all those who are participating be given the opportunity whether or not they wish to have that streaming video in place.

Mr. Hagood stated I don't think it's being used for this meeting.

Mr. Preston stated it's not.

Mr. Hagood stated no. We're in the process of trying to get it up and working.

City Commissioner Hathaway stated you can record, right Mr. Hagood, it is on disk.

A. Roll Call (cont.):

Mr. Hagood stated yes, from the microphones, that's being recorded on the CD's. The video, we hope at next week's meeting we will turn it on. We haven't advertised it to make sure that we're going to try to see if it works or not works.

Mr. Preston stated okay, thank you, I just wanted to verify that.

There were a few brief comments regarding the video streaming, then Mayor Mackay stated let's go on to the agenda.

B. Discussion Concerning Conservation - Water Availability, Electric/Water Incentives, Education and Information:

Mayor Mackay read the title of the above item and then asked who is going to start.

Mr. Rodi stated if I may.

Mayor Mackay stated absolutely Mr. Rodi.

Mr. Rodi stated first, in looking at water availability and proceeded to distribute a page of information to both Commissions. He then proceeded to the opaque projector to display the information.

Mr. Rodi confirmed that all could see the information. He then stated I thought we should begin, because this is the base for purposes of availability, this reflects our consumptive use permit and in the left hand column is the allowable million gallons per day that's authorized by St. Johns, then the yearly maximum allowable, and the right hand column is the actuals. What I did was, you can see from the year 2007, our average daily use was about 4.9 million gallons and that includes everything. That has occupied about 47% of our plant's capacity and about 82% of the CUP. In looking forward, if you do the math, each account uses 211 gallons a day.

City Commissioner Plaskett commented to Mr. Rodi about waving his hands, it was showing up on the screen of the opaque projector.

Mr. Rodi stated thank you, and then proceeded with, if you do the calculations, and that's what the bottom numbers represent there, it's like 5,200 to 16,000 new accounts. And that number was derived from subtracting the 2007 million gallon per day average from the allowable and then our maximum allowable goes up to 8.33 MGD and then stays there. So that's how that range was determined, it took the number of million gallons divided by 211. So you can see the range of new households that can be provided with potable water. Now these numbers include potable use as well as potable irrigation. I thought this might be a beginning point and I've shown this before. It's something we have been tracking with regard to developments as they move through the approval process. He stated so, I thought I'd start with that and then we can continue on.

B. Discussion Concerning Conservation - Water Availability, Electric/Water Incentives, Education and Information (cont.):

Mr. Rodi then went back to his seat and asked if there were any questions. He stated I thought I would just begin with that point because it shows the range of what we have, and especially with the pace of housing having slowed down as it has.

City Commissioner Grasty asked does this give you time to catch up on your plant maintenance, line maintenance.

Mr. Rodi stated all this does for us is show that we have raw capacity remaining, as long as St. Johns continues to support this level of our consumptive use permit. So this is just a raw number and assuming that we will continue to improve our performance on average usage per account.

City Commissioner Hathaway stated do you have any officials of yours that ride around, not necessarily officials, I mean employees to ride around and determine whether there are leaks, and call in those leaks and have them repaired. I raise this because I had a call today from a citizen who noticed a leak on Lytle and U.S. 1 who called it in and apparently there was kind of a slow response in getting it repaired. I also noticed that we had a power blink that messed up our timers at Old Fort Park yesterday, our sprinklers were going off after the 10:00 a.m. So I think if we make this, our citizenry aware, if city water is spouting about, make a note, call it in, and have as quick of repairs as we can. As well as sprinklers that are going off in the middle of the afternoon, shouldn't be going off unless they have an air conditioner that's run by a water pump air conditioner. I would think we would make that a notice that would lead to the citizens being aware and taking an active role in conservation, which may somewhere down the road, allow us to water or two more houses built.

City Commissioner Grasty stated also along those lines of City Commissioner Hathaway, you have, when your readers read the meters, if it gets out of a certain range, it kicks it out right and they go investigate. He added sometimes it's on the customer's side.

Mr. Rodi stated I'd like to say yes, but what happens is within the software for the consumption patterns, sometimes there are kick outs that indicate the rapid changes in use for both electric and water use, but often times we haven't been reacting to those. Because in an area like we're in, where there are people here and they're not, we get some pretty wide range in variances in usage. So most times what we find are people call in, it's just like water leaks, it's the same thing, it's mostly customer notification to us or questions being asked.

City Commissioner Grasty stated the reason I asked that is a meter reader did find a customer that used 187,000 gallons, and thought something's wrong, and sure enough they had a leak on their side.

Mr. Rodi stated I'm sure that happens occasionally, but it's not a routine.

B. Discussion Concerning Conservation - Water Availability, Electric/Water Incentives, Education and Information (cont.):

City Commissioner Plaskett stated do you think it would be possible, I'm sure anything's possible, but I'm concerned about people filling their swimming pools with potable water. How does the Utilities Commission or the City Commission, how is that done, is that something special, do they notify you and say we're going to fill our pool, how does that work.

Mr. Rodi stated generally what happens is there's a call into customer service because if they don't call in, it would be seen as regular water use. If they also have a wastewater account they would be billed for wastewater. So there's an ability to work with them on the filling of the pools. But I think a number of the questions that we're beginning to ask, and that's everyone, is that we're doing a number of things based upon what has happened in the past. In the past there were incentives to have people actually use more of the commodity and the idea was that, you know, it was limitless. So there were a lot of assumptions that were made that are now being challenged and as you well know St. Johns is holding workshops all around it's jurisdiction with regard to changing and restricting further the use of both potable and irrigation water, whether that irrigation water is a potable source, a well source, or even a reuse source. So far, Jim White, for example, today attended one of those, and there is an acute concern about the science that is behind perhaps the suggested new restrictions and there's an ongoing intense dialogue amongst the cities and St. Johns over that same issue. About what actual numbers are within the water model itself, which is a good model, but the actual numbers that are in that model I think are needing some attention. So this whole arena is changing very, very quickly, and I think for just sort of flushing out the rest of the picture here, over about the last month we have, mostly Mr. Hoover and his folks have, been managing our reuse water source. And what that has meant is that during the times we shouldn't be watering, we have actually lowered pressures so that sprinkler heads can't pop up in order to manage the available reuse supply that we have. But that's an indicator, and I think I have conveyed previously, that irrigation water is the challenge for us, all other things being equal. So if changes are made, for example that St. Augustine grass, which is known as a favorite of some, are no longer used or we move to more drought tolerant plants, and there's a whole range of other things, then obviously our performance for even reuse will change. We need to do it as well from a standpoint of just saving money on pumping costs, because maintaining those pressures is very expensive.

City Commissioner Plaskett stated so if the City were to pass an ordinance regarding some of those issues you just raised, then collectively we could enforce that, correct.

Mr. Rodi stated sure, and that's a question because we all know that enforcement is usually the last way you want to do it. We had a person advise us at the U.C. meeting on Monday, that it's best for customers to believe that there really is a water shortage because they then would be motivated to do something because it's in everyone's best interest as opposed to, you know, the water police running around. I wanted to clarify a little bit about the enforcement aspect.

B. Discussion Concerning Conservation - Water Availability, Electric/Water Incentives, Education and Information (cont.):

City Commissioner Hathaway stated I want to question City Commissioner Plaskett on that regard. What exactly would you be suggesting the City Commission take action on in terms of passing an ordinance. Obviously, they've already got a tiered system, the more water you use the higher you pay, which I guess is fair in the U.C.'s eyes. I argued the point years ago because you have a larger family you have the tendency to use more water but that kind of fell on deaf ears. You have commercial people that use water quite more readily than does the average resident and I can name you one customer right now that I think has a problem with their water system. I'll get with you after this meeting to let you know who it is, but I'm not going to rat them out now. But the issue is that I don't know what you're talking about in terms of you can say we're going to limit your grass planting of St. Augustine perhaps, what would be the other.

City Commissioner Plaskett stated that's what I was talking about, the possibility of eliminating St. Augustine grass, the possibility of passing ordinances that you use drought tolerant plants wherever you know you can; that's what I was talking about.

City Commissioner Hathaway stated okay, because I was trying to get to the point to where you raised issues about swimming pools. I happen to have a swimming pool and I know what it takes to fill that swimming pool, about 13,000 gallons of water. I've tried using well water to fill that thing up with and it will take about 500 pound of chlorine to bring it up to any kind of condition, so I would not recommend anybody every try to use that, to pull the water out of the ground and try to treat it. It's just cost prohibitive as far as chemicals are concerned, as far as safety and I know you don't want people putting Bright Water into their swimming pools.

Mr. Rodi answered no, definitely not.

Mayor Mackay stated I think we need to get to the point where we need to start saying that the City and the City buildings and the City landscaping needs to take a lead. We've got a new fire station going in, which the Vice Mayor mentioned last night.

Vice Mayor Richenberg stated yes, I've contacted the landscape architect about almost 50% of the plantings used on the site are not, they're high maintenance ornamentals and it's St. Augustine; imagine that.

Mayor Mackay stated well, I'm beginning to think we need to be telling people this is the maximum amount of lawn you can have, and tell the developers this is the maximum amount of grassed area you can have. If you go to Phoenix, Arizona, where one of my kids lives, there's virtually no grass unless it's really cared for, for kids to play on or as a central visual square. But it's extremely well landscaped, very attractive, they have these little drip feed things that feed the roots of the individual plant. There's not one single place where you'll see this horrifying waste of water over the streets. I'm thinking of Minorca where, I mean, it looks beautiful, but it's a water festival every other morning. There's water everywhere, some of it goes on the plants.

B. Discussion Concerning Conservation - Water Availability, Electric/Water Incentives, Education and Information (cont.):

She stated but I think we're getting to the point, right Mr. Rodi, where we need to start setting an example and stopping this, probably in the LDR or the ordinances.

Mr. Rodi stated I think there are a number of things, and like anything else, there's been a transition. Many things that we've known for years, whether it's gasoline and there's some startling examples of what we're dealing with now. But it's just like here, we're going through and putting out examples of drought tolerant plants, those will be labeled and identified so people can see what they look like and have some sense. Just like every place else, we're going through, for example in this building, all of that window wall downstairs, we put some thin film on it, just to stop some of the solar gain that comes through the windows. You can't do everything at once and so it's starting to do things a step at a time, you obviously can't afford to jump into all of it at one time. And then there's the common sense aspects, when we do have rains, and when you speak to people who aren't in Florida and you talk about drought, they snicker a lot because it rains a lot in their minds. So it's sort of counterintuitive to be talking about, you know, in a state that's full of lush vegetation, that burns quite frequently, and we've got a lot of water, that we're in this mode of dealing with water conservation much like arid states in the southwest. So it's one of those transition issues to step forward with. The reason why I showed this use permit information is for people to understand that we're well equipped to deal with our potable water needs. A lot of what we're talking about are long term commitments and issues and alternative and supplemental sources that we are planning and trying to take steps forward with, but we too are regulated in that the spigot is controlled by St. Johns. So I thought, and again, my reason for bringing this forward, and I hear it all the time, with all the development how do you know you have enough water. This is how we know, this is how we're monitoring it, this is how we're checking it, and I wanted to give that base assurance so that from this time forward we can continue to conserve and do wise things.

City Commissioner Grasty stated conservation, what kind of measures have you taken and also flushing of the fire hydrants and radial feeds. That's water conservation and what have you done for that.

Mr. Rodi stated sure, this is one of those competing interests. A water system is generally designed for its most severe use and that's fire flows. And when you have what we refer to as a radial feed, you just have a long line, and the example of that is what goes down to the south beach, that's a very, very long single line. As people conserve there's a degradation of the quality in that water if it sits there for too long. It's much like the oil in your car, you get an oil change and you go 3,000 to 6,000 miles and you change the oil in the filter. Generally you replace all of the oil, you don't drain a quart and then put another quart in, there's a need to completely replenish that if it's not maintained. So in areas where we have low usage, there is a health water quality issue that we must maintain. And so there's a couple ways to do that, you can do that with auto flushers, and you could do it by trying to put in artificial circulation loops where that's economically feasible. Part of what we try to do is see if there's a nearby area

B. Discussion Concerning Conservation - Water Availability, Electric/Water Incentives, Education and Information (cont.):

where we can put the water for recharge purposes. But the fact is there has to be flow through there in order to maintain that integrity. So that's the competing interest, maintaining a good quality system but not being excessive in its use. It's just like, again, maintaining your car, you know the technology has not gotten to the point even with synthetic oils that you can run it forever. So until we get to that point, we are making some progress in that arena about getting better.

City Commissioner Grasty stated I talked to the Health Department and they complimented New Smyrna utilities on their quality of water, that they haven't had any problems with their quality. And they complimented the lab out there and the samples they take also, not just what the staff gives them; so I was pretty impressed.

Mr. Rodi stated the employees themselves are exceptionally conscientious and that's why you can't afford to take a chance in someone questioning about the water quality. That's why, even in some of the most recent incidents, that we have involved the Health Department and DEP who had to even authorize some of the techniques that we've employed.

UC Chairman Allen stated one other thing I'd like to comment on, along with those flushers, a lot of people get upset when they see that flush going out into the street or off on the side of the road. One thing we have to understand is our staffing does a very good job in knowing the areas where there's possible problems and before it gets to be a problem, you have to do a good hefty flush to clean that bacterial, to make sure it's cleaned out the line. You don't just go out there and turn a light faucet on to clean it, it has to be a good flow, and so consequently, it's better to do it right the first time than to have problems done the road. He then added, and they're very conscientious when they do it.

Vice Mayor Richenberg stated to Mr. Rodi, I have a couple of questions. As far as I see 2020, as far as the CUP permit goes, 8.33 MGD, we top out in 2012 and it maintains that through 2020.

Mr. Rodi stated that's right.

Vice Mayor Richenberg stated and I would expect that would be, with ongoing conservation efforts, that would be sufficient to service the build out population.

Mr. Rodi stated at this point we think the answer is yes, but I think we will also need an alternate water supply for irrigation support. We recover about 70% of the potable use and over the last year and a half I'd say, with the reuse pond, we have been able to allocate over 90% of that 70% and the balance of it has ended up in the river. It's important for us to conserve as much as we can because as the other potable uses come on line, irrigation has about a three times demand over potable. So depending upon what you have it's anywhere from 200 to 600 gallons a day for that demand. So as we can improve upon the irrigation, the plants, the uses there, then we should

B. Discussion Concerning Conservation - Water Availability, Electric/Water Incentives, Education and Information (cont.):

be able to have our potable supply, our irrigation supply. But our end state is still to have additional irrigation supply, probably from deep wells and some of the R&D technologies we're looking at now.

Vice Mayor Richenberg stated I wanted to ask, if as far as our reuse goes, I mean presently, what are the limits of our reuse. When I say limits I mean the volume and the availability as far as distribution of it goes.

Mr. Rodi stated most of the distribution is more for the western side of the city. There are some feeds that come here and go to, I think, Bouchelle Island and some of the areas off of S.R. 44 that go over as far as Turnbull Bay Estates. Generally, we're running about 3.5 million gallons a day in reuse and during times like this, we're using all of it. When we have the rainy season we have a 13 acre pond. I think that has an operating range capacity of about 25 million gallons. So you can see if we're exceeding that 3 million gallons a day, which does happen, then the pond is making up for it. Right now we're at the lowest level of that pond as far as our operating permit is concerned, so we can't draw any more water out of it. So in times like this, if we don't continue to get some rain, then we'll have to supplement into that and we'll use the reuse pond. We have a plan in play right now to do that, but we need a longer range plan in order to have both the capability for providing irrigation and potable supply.

Vice Mayor Richenberg asked are there plans to increase the availability of reuse throughout the city. What I'm talking about more is this core area, the older parts of the city where you don't have those reuse lines in. I mean I know it's probably something you would have to coordinate with another project and piggyback on.

Mr. Rodi stated I think the issue there is one in having both the infrastructure and the supply. There are some opportunities to deal with the infrastructure, for example when we are able to place into operation our new 20" low pressure potable connector between Glencoe and Smith Street. The old 10" and 12" potable pipes then become available either to continue to use them for potable supply but also then to see if they can't become the infrastructure for reuse because the original 20" potable line was converted to a reuse line, and it's right there in that same area. So there's some capability to start to expand in some areas. But normally, if you don't have a green field area, it becomes very expensive dealing with road crossings and all of the encumbrances. I would hope that we could at some point say yes, but I think right now we're just dealing with the very basic approach.

Vice Mayor Richenberg stated wait and see costs go up, and it will make it more feasible. He stated I just have one question, and I think you'll find this amusing, if we use below our CUP, which I'm seeing indicated in the columns here, do we get future credit.

B. Discussion Concerning Conservation - Water Availability, Electric/Water Incentives, Education and Information (cont.):

Mr. Rodi stated no, and this is obviously a very delicate subject, and I know Mr. Hoover and all of the folks in his division, in fact in other divisions, work very hard to try to do the right things. I think their performance is showing that they've been pretty effective in having a material change in use. Well, that helps when we apply for our permit again, and we go through a renewal every five years and we had a recent increase in 2005 in that CUP. But in the back of your mind if there's not a pledge for the use of this, there's perhaps a tendency for someone to say oh well, you know you really don't need that all that much, and someone else can use it.

Vice Mayor Richenberg stated it's a double edged sword.

Mr. Rodi stated yes, it is, and you don't want to take the hard efforts and feel that someone else who hasn't made those efforts, are benefited because they haven't and they have more of a crisis. So that's a delicate situation, and in trying to anticipate what could happen, that's why we have been working to maintain our alternative water supply plan because there could be some other issue that we're not exactly aware of right now that could come home, and we need to keep ourselves in a risk adverse situation.

Vice Mayor Richenberg stated in other words we don't really get any rewards for conserving other than being able to be granted our CUP when we request it.

Mr. Rodi stated so far we've gotten some nice head shaking about the pamphlets we've sent out and the conservation efforts, etc.

Vice Mayor Richenberg commented you can't take head shakes to the bank though.

Mr. Rodi stated as I think everyone recognizes, and as City Commissioner Hathaway was pointing out, really something that is going to become more and more prominent, and you'll see it more being picked up through workshops, and what have you, about using economic incentives in addition to education. The economists are saying, just like with gasoline, until you hit that point where there is an incentive to do that from a financial perspective, then education will only carry you so far in really achieving a goal if you must achieve the goal.

Vice Mayor Richenberg stated well, that was what I wanted to tell my fellow Commissioners, is that, you know, a lot of this is going to have to be incentive driven. We need to, I mean, I would like to introduce it as an incentive program to start with, to eliminate St. Augustine grass, to promote xeriscaping, to promote drip irrigation, to do all those things that relate to conservation. But if the incentive doesn't work, then enforcement would be the next step, whether by ordinance or whatever. And I agree Mayor that it's important for us to take the lead on it. That new fire station should be able to show examples of drip irrigation, of drought tolerant xeriscaping, of the elimination of St. Augustine, and even doing more bed work where you're using gravel beds and mulch areas to reduce the amount of grassed area. And to me it's just like

B. Discussion Concerning Conservation - Water Availability, Electric/Water Incentives, Education and Information (cont.):

Mr. Rodi putting in and the U.C. putting plants out that are drought tolerant and making people aware of this is what the plant looks like, this is what you can put in your yard. If we do that and promote that city wide, where we show people that we landscaped our new fire station, xeriscaped it, and what would be real interesting would be to show the savings on consumption. That if you did it with St. Augustine and sodded everything, and if you put the high maintenance ornamentals in there, the amount of water it would take to keep that looking the way it was, as opposed to what we did, and show it as a definite savings. You can emphasize that to people and that's something that they can look at their yards and go, well I could save a couple 1,000 gallons a month if I did away so many croutons. I don't know my plants that well, I may have named a drought tolerant plant, but you know you lead by example.

Mayor Mackay stated I think down in front of City Hall we need to start thinking about this. You know it's not crisis point now but it's to the point where we can get the message across. We've got grass there, we've got azaleas there, I can't think of what we do have, but it's a great place in the center of town where people walk, where people come to the market. Maybe in Riverside Park too, to begin to think we need different beds, as you say with mulch and with rock chip, name plates, to name the plants, and start thinking along these lines. We've got horticulturists that work for the city, and back off this mowing. Back off the watering, back off the mowing, back off the gas consumption that way; I'm all for this.

Vice Mayor Richenberg stated and we could possibly even do some test areas of some different types of grasses. You know I mean Old Fort Park is a good example, we've got St. Augustine everywhere, well let's do one segment of it in something. He stated to City Commissioner Plaskett, you were at the Florida League of Cities legislative, the function over in Orlando where the lady talked about, she was from the University of Florida.

City Commissioner Plaskett stated yes.

Vice Mayor Richenberg stated I know she was not a turf specialist but that's how I looked at her. She was a doctor, but she had some really good suggestions on different strains of different types of grasses that did not take the maintenance and water that St. Augustine does.

City Commissioner Plaskett stated true.

Vice Mayor Richenberg stated if we can set something like that up and at least give it a try and figure out what kind of grass we can use.

Mr. Rodi stated if I may, part of the educational process, if I am recalling I think it was the last time we met, there was an emphasis placed on educational value and carrying that forward. And I'd like to really give some credit to Ellen Mahle, and I think it's important because she has been working very hard, both the U.C. and the City are sponsoring a Green Fair here in September.

B. Discussion Concerning Conservation - Water Availability, Electric/Water Incentives, Education and Information (cont.):

That becomes a really nice showcase for a number of these new approaches and a lot of the experts that will be there, it's both water and energy, and we're trying to promote things. I was looking here at some of the water conservation things, and you know we did the rain barrel, and those went pretty quickly, I was quite surprised, the ones that we had. But then we have a shower head, and then there's, for those of you who remember the brick in the toilet days, they have a new version of something and they call it a, what, a toilet dummy.

Ms. Mahle interjected a toilet tummy.

City Commissioner Grasty stated is that like the Niagra was? I got one of those and when you were talking about gallons per day, my last bill I used, my house, 31.25 gallons a day. So I started with the toilet that I purchased two years ago.

City Commissioner Hathaway commented to City Commissioner Grasty, you don't have a dishwasher, you don't have a washing machine; and jokingly added, do you have a shower in that place.

City Commissioner Plaskett added, and how many people live with you.

After a few more comments, City Commissioner Grasty stated but I have, in my whole house, I've made it water wise through faucets, through showerheads, I've still got one.

City Commissioner Plaskett stated I still have one last question on this issue, so we're still, unfortunately, we're still discharging into the Indian River, correct.

Mr. Rodi stated during the dry times like this, not at all, wet times, yes.

City Commissioner Plaskett stated I realize that, in wet times. Do you foresee any time that we could just completely eliminate that? I mean are we working towards that, I think that's very important.

Mr. Rodi stated the real reason is to protect the salinity in the Mosquito Lagoon, and not only do we have our discharge, and added but Edgewater does as well.

City Commissioner Plaskett stated yes, I know.

Mr. Rodi stated from an administrative regulatory requirement we'll always have to have the pipe there. Right now we're examining how we might be able, even during wet times, to not have that water go in to the outfall or into the lagoon, and see if we can't get it into the aquifer through a recharge. There are a lot of questions to get there but we've just begun to examine that as an alternative.

B. Discussion Concerning Conservation - Water Availability, Electric/Water Incentives, Education and Information (cont.):

City Commissioner Plaskett stated thank you, I was just going to say that I know there are other alternatives.

UC Commissioner Diesen then requested if she could ask about the Green Fair. Will there be landscapers there that will have Florida plants, xeriscaping demonstrations and things.

Ms. Mahle answered yes.

UC Commissioner Diesen stated I mean I could go driving down the road and yank up the Coreopsis and bring them home but I think it'd be better if I bought them.

City Commissioner Grasty held up a billing insert (UC bill), stated this is what came in the mail, and everybody's getting one of them right.

Ms. Mahle stated to my knowledge that was a bill insert for both April and May. The Green Fair, we've been working with the Alternative Energy Association and the City. We've come up with several marketing pieces to promote the Green Fair for customers and to get vendors involved. The response has been strong and we expect it to get stronger as the summer goes on, it's a tough financial time for everyone right now. So some of the business people, it's tough because they would have to pay for the booth. So Alicia is the lady's name who is the fair manager, she is working with people to do some trade outs for services and that sort of thing to make sure the most people can get involved and have them pay what they can, so she's doing tiered structures and that sort of thing. But we had the Green Fair bill insert, and then we had been looking for sponsors. This went out to the folks in Orlando, at the fair that just occurred in Orlando a couple of weeks ago, so they went there and got some sponsors there. They've gotten some, I don't know what the terminology is, but they've contracted with a newswire service to get press releases out there to get people involved, but just to give you an idea of some of the overview events that will be occurring. She stated but first a big thanks to Liz Yancey and her staff for allowing us to take over the Brannon Center that week and to the City for letting us use it. On Friday evening, the 5th of September, there will be a gala dinner for the main sponsors and City officials. We've done things like getting Heavenly Smoothies to come and donate a smoothie bar and different green drinks, non-alcoholic. And then a young entrepreneur who makes recycled clothes wants to feature her clothing there through different models so they'll be there to show an environmental way of producing clothing and recycling and that sort of thing; so that will be neat. There will be a Freecycle Area on Saturday and Sunday when the event actually occurs.

UC Commissioner Diesen commented you should look at their website, I mean it's a big business.

Ms. Mahle answered yes, it is, Freecycle is where you just sort of take what you need and

B. Discussion Concerning Conservation - Water Availability, Electric/Water Incentives, Education and Information (cont.):

donate what you don't. There will be a silent auction with a grant available, with the proceeds from the silent auction, the grant goes to a local innovator; a green innovation grant they're calling it. There will be artists, there'll be technical exhibits and cars.

UC Commissioner Diesen asked is IFAS going to be there, sorry for jumping in there.

Ms. Mahle stated that's okay, we haven't contacted IFAS yet.

UC Commissioner Diesen then stated the Ag Extension.

Ms. Mahle stated yes, and we're teaming with the Atlantic Center for the Arts for a lot of information sharing of how they run Images, and utilizing their resources as far as understanding of how to run such a large event. The City and the Utilities Commission, we're going to have a common area to showcase City services such as electric water conservation, garbage recycling, stormwater, show the impact on the environment of all of these different services that we offer. The Marine Discovery Center is also utilizing, they changed their Estuary Days to coincide with the Green Fair, so there will be a lot to do with the Marine Discovery Center and kayaking and that sort of thing. You might have seen it in the paper today about the Segway, the Segway people are getting involved, and we're going to have a Segway course. So people, for five dollars, can sort of challenge each other to go through the course on the Segway and then the money will go to a charity. So the folks who are working on this so readily on a daily basis are very, very dedicated and I think it will be something we will all be proud of.

Mr. Rodi stated is there any forecast as to the number of people that might be expected.

Ms. Mahle stated they're saying 30,000 but I think that's the number I've heard since we ever talked about it so I'm not sure. But they are doing heavy marketing around the Central Florida area from Jacksonville to Orlando, so there will be a lot of people. Of course, the focus, what we'd love is for many Smyrna Beach and area residents to come, but we do expect many people from out of the county.

Vice Mayor Richenberg stated he would like to ask a quick question, have the colleges or the schools been contacted about any of the programs they have.

Ms. Mahle stated not to my knowledge but that's a great idea.

Vice Mayor Richenberg stated we need to make it available to the Daytona Beach Community College and the high school as far as if they have any of those types of programs.

Ms. Mahle stated yes, definitely, and we'll probably send out information about the grant. We're going to have a panel of judges, people who, like Kevin Schweizer, people who are very familiar

B. Discussion Concerning Conservation - Water Availability, Electric/Water Incentives, Education and Information (cont.):

with “Green” and energy and water conservation. So there are a lot of things left to be solidified but it’s all sort of moving in the right direction I think.

Vice Mayor Richenberg stated and hopefully Kevin Schweizer will possibly have information about that first Green House there, he can showcase that...

Ms. Mahle stated yes, there’ll be a big demonstration of that. There’s also a builder, and I’m not getting the terminology correct, but a builder of pre-fab walls with insulation and all that. He’s agreed to actually put up a giant demo house thing so people can see what this is, what it looks like, and the energy conservation that’s associated with it. She stated one of our conservation initiatives for this coming year is a showerhead buy down program and the vendor for that will have a demonstration to show his product. So the idea is just to get as much information out there to the average homeowner, not that anyone’s got the money to tear down and start anew, but little things you can do to retrofit your home for energy and water conservation.

Mayor Mackay then stated this is rumor, I heard it, I don’t know where, but there is apparently someone in town, and I believe he is an older gentleman, I believe he is European, I believe he is German, who has a process where he’s taking trashed plastic and has some way of melting it down. I’ve heard it comes down to a sort of composite sludge which can then be molded into different articles and reused. Do you know who he is, has anybody here tracked him down?

Ms. Mahle stated she does not, but she could start asking around to see if there’s anybody...

Vice Mayor Richenberg commented it’s one of those urban myths.

Mayor Mackay stated like Big Foot, no, I think this could be more interesting. I believe he’s working out there somewhere around Turnbull.

Ms. Mahle stated okay.

Mayor Mackay reiterated that’s what I’ve heard.

Ms. Mahle stated we’re trying to reach as many people as possible. The bill inserts that you’ve seen go out is not going to be the only way that we try to drum up local support and local interest for this event. Right now, what they’re focusing on, is trying to get sponsors for it because the costs of the tents is not inexpensive and the costs of all the other incidentals is not inexpensive. So we’re working very hard to try and get some people who are willing to sponsor it from a lump sum standpoint and right now with the economy that’s difficult. But we are trying with a lot of the local large businessmen but that’s not going as quickly as I think they want it to but I think it will come together closer to the actual event date, more so than what we see now.

B. Discussion Concerning Conservation - Water Availability, Electric/Water Incentives, Education and Information (cont.):

UC Commissioner Diesen stated there are, I mean, Target gives out grants, Wal-Mart gives out grants, Home Depot gives out grants. Those I think would want to be a part of this, and Lowes, they would all benefit because they all have different kinds of products and I would think they might want to be sponsors. Have we, I mean is that part of the plan to contact...

Ms. Mahle stated yes, it is. I can't tell you their specific response and how it's come about.

UC Commissioner Diesen stated they give to local, Publix does too, it may only be a \$1,000 or \$1,500, but if you do that five, six, seven, eight, nine, ten times.

Ms. Mahle stated exactly, yes, and there are a lot of in-kind gifts that I think they're trying to get, like the reusable bags and things like that. So when people are at the Fair you may see a Target bag, or a Publix bag, and they'll donate the bags.

UC Commissioner Diesen commented I've bought enough of them, I keep throwing them in the back of my car and forgetting them.

Mayor Mackay then asked has anybody approached Gel (Corporation).

Ms. Mahle stated we have, but with Southards we can't.

Mayor Mackay stated no, I don't mean in order to do the recycling, but I've been around that facility, that plant.

Ms. Mahle stated yes, they have a product that they're actually giving away because they can't get rid of it fast enough. It's a crushed glass, they take the crushed glass and it's ornamental at that point, and Lindley's has used it on the top of their plants. You'll see some nice plant and then there'll be some ornamental crushed glass, it helps keep the water in and that sort of thing. So I do expect, I think they may even be giving it away at the Fair, but Gel is participating.

Mayor Mackay stated okay because if you go in there they've got all sorts of things that they do with crushed glass, like make roof shingles.

Ms. Mahle stated yes, and my recollection is that they have a competing engagement on that date, on that weekend, so we had to ask that Lindley's feature their products at their booth because they don't have anybody to send. We're also encouraging, and from a staffing point I'm not sure what we can do with the City and the UC, but we're encouraging to have displays that don't necessarily require a human body there so maybe we could ask Gel to put something together and we could volunteer to pick it up and babysit it and make sure that it doesn't get ruined. The more visual attractive elements, with the plants and that sort of thing to draw people in, because conservation isn't glamorous visually, financially yes, visually no. So what we need to do is to get people attracted, visually attracted to it. She stated and we're very open to any

B. Discussion Concerning Conservation - Water Availability, Electric/Water Incentives, Education and Information (cont.):

ideas, so please don't be shy, and also added I'll look into the plastic melting guy.

After a couple of comments, Mayor Mackay stated okay, so we move to incentives, any incentive ideas, plans, how about disincentives.

UC Commissioner Diesen commented put in St. Augustine and you pay.

Mayor Mackay stated I mean are there any other municipalities...

UC Commissioner Diesen stated Oviedo is doing, they're doing xeriscaping. Is that not true, it's Oviedo isn't it that's doing that.

Mr. Rodi stated yes. He stated as far as programs, and I'll just read these off, we have a 1.3 gallon per minute shower head buy down program, and that will be also represented at this Green Fair. We've got the rain barrels that we're working with. The parking lot will be the display here for waterwise plants and we'll have specific examples with names there for them. And we have the toilet tank, toilet tummy. But these are just some initial types of things in addition to the flyers we're sending out and the reminders that we're doing. So from an incentive standpoint they're really relatively light but they do introduce the topic. In the year 2010, fiscal year 2010, is when we intend to more aggressively get into the tiered rates and that's the economic incentive. We think after seeing what happens with St. Johns and a lot of the discussion that's going on now with regard to conservation and alternative supplies, we'll have a better feel for how things will be at that point. So I think that's going to be the prime determinant and we've had economists really say that's what's necessary at this stage.

Vice Mayor Richenberg stated I think you'll find the public will be much more receptive come 2010 pertaining to what they're dealing with, with gas and then fuel costs.

Mayor Mackay stated any more from the Commissioners.

Vice Mayor Richenberg stated what I would ask Mayor, is that we look at other municipalities and counties to figure out what they are doing as far as providing incentives for using drought tolerant plantings on xeriscaping, as far as development goes, both commercial and residential, to look and see. I always go back to looking at Gainesville, if you have a green certified home or green, you go to the front of the building permit line. Not that the line's very long right now but nonetheless if you can offer things that's not going to cost us out of our pocket but just streamline, expedite you know, I think it's going to be received a little bit better by people that are looking to doing things.

Mayor Mackay stated I agree. Do you have somebody, Mr. Rodi, on your staff who does your research like that; it's a staffing problem isn't it.

B. Discussion Concerning Conservation - Water Availability, Electric/Water Incentives, Education and Information (cont.):

Mr. Rodi stated it really is, and even when we have the capability to do something about it. For example, on the electrical side, we have had the authorization for, if you will, a demand side management engineer. We have not, through advertising and a lot of other looking around, been able to find a qualified person, in order to engage that. He stated so far a lot of the research has been done by all of us, I do some, Ms. Mahle does some, Mr. Beyrle does some, Mrs. Simmons does some, I ask some of the Commissioners some time to go look at some things, and I've asked City Commissioner Grasty. But that's okay for a beginning, but some of these issues become very, very complex. For example, in our alternate water supply we have hired a consultant because we need both a geologist and a hydrologist in order to come up with a reasonable plan that will provide alternatives for our current water supplies. So we do have a validated plan, now the next part of the plan is to work with the regulatory bodies because of the environment that we're in, and it's very difficult to move ahead. So that requires levels of expertise well beyond anything we have in house, so we're trying to move forward, but I think what we're all doing is, fundamentally, taking the baby steps so that we can make progress as we go.

Vice Mayor Richenberg stated that's what I hope we could do on the City side. We can look, work with Mark Rakowski, work with some of the Development Services staff, work with the building department, work with public works or whoever, to just look at see what we can do to promote xeriscaping, to reducing grass areas and shifting.

Mayor Mackay stated I just hate to suggest we do something and then look at somebody else and say okay, you guys do it.

Vice Mayor Richenberg stated no, we can all do it, we can do some of the research ourselves, but what I would hope is it doesn't end with the discussion here today.

Mayor Mackay stated right.

Vice Mayor Richenberg stated and in six months we can come back and say well, they were baby steps, but we took a few of them and we accomplished some things and we're moving in that direction. I would hope that's what we can do.

City Commissioner Plaskett commented we don't have staff, and we don't have follow up information. I think we should hold meetings more often first of all and I think based on the fact that we're always having discussions but never really knowing, you know, getting the outcome. And sometimes it seems like we have to rehash old things because maybe we don't remember what we said last time or what was suggested. So it would be very nice to, I think we should have more meetings, joint meetings like this, and I know that we have the one day a month, on Wednesdays, that we've dedicated to workshops, and I'm thinking maybe we can do something like that. I think it would be nicer to have meetings at least once a month between us, at least to follow up on the past discussions that we have.

B. Discussion Concerning Conservation - Water Availability, Electric/Water Incentives, Education and Information (cont.):

Vice Mayor Richenberg stated well what I would suggest, sorry to jump in, is that when we have that meeting, you know whether it's in a month, whether it's in two months, or three months, we have it quarterly or we have it every two months, but like you said City Commissioner Plaskett, that we come back and go okay, what have we gotten done. What have we gotten done towards xeriscaping, what have we gotten done toward incentives, have we made a step, have we made two steps. Like you said, then we're not in here talking over things we've already talked over, trying to remember what we're trying to do. We've talked today about water availability, we talked about conservation, we've agreed somewhat I guess that conservation is the easiest and quickest means of reducing demands, that when we come back we look at each other and go well what have we gotten done, have we looked at stuff and have we got things that we can implement.

Mayor Mackay stated well, maybe one of the ways to do it is to pass these links around, like if City Commissioner Grasty finds a really good link where somebody's doing something innovative, water-wise, landscaping wise. Who would be a centralizing person, I don't know, would Ms. Mahle take that on. If we find something, a web site that's interesting from Europe or from a different city, send it to you and you send it out to everybody on both Commissions so that we can at least do the reading.

Ms. Mahle stated she would be happy to do whatever she could.

Mayor Mackay asked would that be a reasonable request.

UC Commissioner Diesen stated what's it going to accomplish. I mean I'm not disagreeing with it but I'm just saying I think we need to add.

Mayor Mackay stated so we all can keep up with what everybody's reading, that we're reading the stuff that you're discussing maybe, that you're using at our meetings, as well as here's Ocala; did you say Ocala.

UC Commissioner Diesen and Mr. Rodi answered Oviedo.

Mayor Mackay stated okay, Oviedo is doing such and such. We're out of that loop, we just listen to you say so, but for instance if that link from that website came out to everybody on both Commissions, then one can go through it and say...

UC Commissioner Diesen stated I'm not, I think it's a good idea, but I think City Commissioner Plaskett if I'm not mistaken, weren't you thinking more along the lines of okay, for instance the fire department, what's going to happen there, that needs to be put in, implemented, that's going to be changed, right.

B. Discussion Concerning Conservation - Water Availability, Electric/Water Incentives, Education and Information (cont.):

Vice Mayor Richenberg stated I'm hoping it is, I haven't got to talk to the landscape architect.

UC Commissioner Diesen stated well, who can change it.

City Commissioner Grasty stated we have to change it, to give directions here.

Vice Mayor Richenberg stated I have to talk to the City Manager as far as, when I get to talk to the landscape architect, figure out what exactly there is as far as high maintenance you know grass, plantings, ornamentals, and we evaluate that at a regular City Commission meeting. Then we'll go to the City Manager, okay, let's look at the cost of the changes, let's see what the benefit is, cost benefit you know, and then take it from there to determine if it's feasible, and if it shows a definite cost savings and a step in the right direction.

Mr. Hagood added because I did look at the fire station, the western fire station, and we're using approximately 200,000 gallons of irrigation water a month out there. We have an acre and a half of land that's being irrigated, sod and landscape areas. That equates to just a little over an inch of water for a week which is what's needed I understand for St. Augustine grass. So I was, 200,000 gallons just sounded like an enormous amount of water to me but it's within, very close within that range of the proposed new St. Johns regulations because they're talking about a 1/2 inch twice a week.

City Commissioner Grasty commented go get a suction hose and put it out in the pond.

Mr. Hagood stated I hate to tell you but you know some of the firemen look right across the street there and they're going alright, I see some water over there.

City Commissioner Hathaway added and they've got that drafting line right there too.

Mr. Hagood commented well, if you see that pond drop down a little bit.

UC Commissioner Diesen then stated what would it cost to start changing that out, maybe a quarter acre of it.

Mr. Hagood stated and I'm not sure, that's what we're going to start looking at because that's some of it, you know rock gardens and things of that nature. I mean I told them, you know, we've looked at just mowing it is costing us a lot of money now, so I said we do need to start looking at that. Speaking of that, now we have asked the Planning Department to already start doing some research on you know as I understand the Commission we wanted to look at prohibiting St. Augustine sod in the landscaping. And whether we do it as a prohibition, or I think now we may look at it more like an alternative, an incentive to an alternative to St. Augustine.

B. Discussion Concerning Conservation - Water Availability, Electric/Water Incentives, Education and Information (cont.):

Mayor Mackay stated well the medians Mr. Hagood, we've got all this mowing stuff, and I know we've just signed a contract so we've got to look at that, but those parts of the median on the South Causeway where there's mulch and plants, they're not unattractive, they don't need to be mowed. You can just plant, as City Commissioner Hathaway says, cactus, there's nothing wrong with cactus, some of the more beautiful...

Mr. Hagood stated well, Mayor if I might remind you the original design of the South Causeway did have a low watering plant design. It had Muhly grass in there and we went and pulled it all out because we were getting so much public comment about the design of it that it was removed, and this is the new design.

Mayor Mackay stated well maybe we need to rethink the design of it and what's utilized.

Mr. Hagood stated and I think now there's a better mixture of materials. I always took the position back then, you know, it was more of an education process to the public.

City Commissioner Hathaway stated I think our meeting once a quarter really accomplishes what we need to do, I'm afraid meeting more often is going to do nothing more than tie up our staff, and we're not really going to accomplish what I believe the Vice Mayor's already put out. I think the issue is that yes, there's some times we may have miscommunications or misunderstanding. I think that can be handled through staff rather than or if can't, Mayor, Chair or whoever happens, whoever calls it to find out what's going on. This takes up an awful lot of staff time and I see a lot of UC people sitting out in the audience tonight. You know it takes up their valuable time and sometimes I'm not so sure what is accomplished by it.

Mr. Hagood stated I think we could probably schedule on our next meeting, because I understand we want to see something. By the next meeting I will have our staff here with some incentives, you know working with the Utilities staff. I think we can probably do that and by the next meeting I think we could have something outlined that the bodies could consider.

City Commissioner Grasty stated between the two Commissions, you two, the CEO and the City Manager, can always come to a meeting and give a presentation. Mr. Hagood can go to the Utilities Commission and Mr. Rodi can come to the City Commission any time that they have something new to bring forth; that way it would free up meetings like this.

Mayor Mackay stated I think everybody's got the right idea, what we want to do is see some results; let's just move it along.

City Commissioner Plaskett stated we just need a follow up, that's all.

Vice Mayor Richenberg stated I agree.

B. Discussion Concerning Conservation - Water Availability, Electric/Water Incentives, Education and Information (cont.):

UC Commissioner Diesen stated I think we need to set some time limits.

Vice Mayor Richenberg and City Commissioner Plaskett both concurred with UC Commissioner Diesen's statement.

Vice Mayor Richenberg stated I think that's real important, that number one we do meet quarterly, that we make it a goal of ours to make sure we get the Commissions together quarterly. And number two, then when we get together quarterly, we review what the previous meeting we had established that we were going to take action on and we were going to try to implement.

City Commissioner Plaskett stated and see what the status is.

Vice Mayor Richenberg reiterated see what the status is and gauge how successful we are, and that way, at least, we aren't going over the same stuff and we're kind of getting a gauge as far as what our progress is and our goals.

City Commissioner Plaskett stated yes, it's part of the problem that I've seen is the quarterly meetings aren't really happening quarterly because everybody has different schedule problems. And I think that, you know like today, we have three Utilities Commissioners here and we have all of us, but guess what, as long as we have a quorum on either side, I think we should meet anyway.

Vice Mayor Richenberg stated go ahead and have the meeting, yes.

City Commissioner Plaskett stated and I just wanted to make that clear because a lot of times what happens is we can't meet because somebody's going to out of town, somebody's on vacation, and it seems like you know part of the situation's been well maybe some is taking longer than others because everybody says we want the full City Commission, the full Utilities Commission. Well, as long as we have a quorum, everybody knows what's going on so I think that will work.

Mr. Hagood stated I think, Mr. Rodi, if I'm not mistaken, I can't remember, we've already pre-scheduled through this calendar year.

Mr. Rodi stated yes.

Mr. Hagood stated I mean we've got dates set for some now.

City Commissioner Plaskett stated I know but sometimes things happen and people say well I can't do that, I can't make this date and that date, so.

B. Discussion Concerning Conservation - Water Availability, Electric/Water Incentives, Education and Information (cont.):

Mayor Mackay stated just stay on the suggestions we've got and make sure that they get implemented, and keep in touch. I'm going to keep in touch with Ms. Mahle.

Mr. Hagood stated that's what I'm saying, by the next meeting I think between the utilities staff and our staff that we will come back to you with a program for, you know, the incentive programs, the sod abatement programs, whatever we want to look at.

City Commissioner Plaskett stated I'd also like to see an update on the last couple of meetings that we've had where we're at as well, you know.

Mayor Mackay stated okay.

UC Commissioner Diesen stated I've got that old agenda in my car as a matter of fact.

Mr. Rodi then stated there's one on the screen that I'd like to talk about, because certainly they can be thrown out quicker than we can do them. This is the island where the former oak tree and we planted the two trees, and Mr. Rees had some suggestions about how to do some of the beds. So we, not only from just from a standpoint of trees but some of the plantings, and I had mentioned this earlier, but it's a result that's coming. This is the plan for that bed and I'm not going to even try to explain it, but you can see that there is a design and it is to include a number of the plants so that people can see them. And it becomes very, very meaningful because it's right there for people to see and it's also something pleasant to look at.

Ms. Mahle stated to Mr. Rodi, I just want to let them know I just got a call from Debbie at Lindley's this week and they're starting to install this garden this week. These are all natives and part of the problem, and it may be things along the lines of the Muhly grass situation, there are some natives and some drought tolerant plants that are more available than others. While some of these are very hard to get, and everyone knows Debbie at Lindley's Nursery and she has probably more access to natives than we could ever imagine, and she's had problems getting some of these plants. So I think there's an availability issue for some people, but since this project got started she's been gathering the plants and getting them ready and designing this. So there'll be signage with all of these describing the types of plants and their water and sun needs.

City Commissioner Plaskett stated you may want to check with Volusia County, they have their own areas, you can probably get them for nothing.

Mr. Rodi stated and I think that's a good suggestion, because the more we talk about all these things, and the more people we engage, the more availability there will be. So this is a bed that is right here on the corner that is finished and we're still putting the signage out there on that, and here's another angle of that. You can see that the plants themselves are also attractive to look at. And of course then the flower beds where there had just been those old ratty planters out there

B. Discussion Concerning Conservation - Water Availability, Electric/Water Incentives, Education and Information (cont.):

that were disgusting and would have a lot of old cigarette butts in them. But this has taken a lot of work to just to get to this point. I think as we start to have examples, then it will start to catch on. This is another thing that Ms. Mahle has put a lot of time into, along with others, and it's so easy to pass by how much work it took to just get to this point, but I wanted to give her credit for that as well.

City Commissioner Plaskett and Mayor Mackay thanked Ms. Mahle.

UC Commissioner Diesen stated Coreopsis just grows beside the road.

City Commissioner Plaskett asked if UC Commissioner Diesen was using the botanical name.

UC Commissioner Diesen stated no, don't you remember when Dick Graham tried, maybe he got it through to get Coreopsis as the state flower. You remember, never mind, it's the one that just grows all along the road and it doesn't take any water, it doesn't take anything, and it seems to like exhaust.

City Commissioner Plaskett stated I like Weigela myself, Weigela's's a ground cover that has flowers and stuff and you can mow it and it grows right back if you need to.

UC Commissioner Diesen stated oh, you have to mow it.

City Commissioner Plaskett stated no, you don't have to, but you could.

Mayor Mackay stated okay, I don't want to cut off anybody else, are we good; moving on to number C.

City Commissioner Grasty stated we didn't talk about power.

City Commissioner Plaskett yes, I want to talk about electric.

An unidentified lady from the audience asked about public participation.

Mayor Mackay stated okay, let's talk about electric.

The lady then reiterated can you get participation from the audience for item B.

Mayor Mackay stated yes, let's just talk about electric first as it's in here.

The lady stated oh, in item B., okay I'm sorry.

B. Discussion Concerning Conservation - Water Availability, Electric/Water Incentives, Education and Information (cont.):

Mayor Mackay then stated who's going to talk to us, Mr. Beyrle.

Mr. Rodi stated no, I'll start off with this and we can move forward. We had a number of programs, just like we were talking about in the water conservation, that I think are starting to have a pretty dramatic effect. One of the most revealing programs has been our energy audit and for those of you who have participated in it, there has been some very good results that are coming from that; very common sense answers to difficult problems. There's mostly a win win for everybody in that. We have recently opened that even to commercial by allowing the first \$75, which would have applied to a residential audit, and then there's a specific estimate that is given by the energy auditor for that particular building because they're all different. But in addition to the energy audits, we have still kept the insulation program, the duct leak repair program, the AC maintenance, the solar water heater rebate program, and each of these are having somewhat of an effect. But we're also going back over our load shedding devices and those are ones that we turn on during peak conditions in order to reduce our load. And we're finding that perhaps as much as 20% of them were not working, at least that's what we're finding; not working or disconnected. So those become important and I'd like to share because it's really a critical period that we're in right now. You've all seen story after story about rate increases that are coming as a result of just terribly escalating fuel prices, and during the summer period is when we, as a buyer out on that market, can only access very high priced power. And it's usually in that last amount where some of the prices are just exorbitant, like over 40 cents a kilowatt hour, and that's probably in today's market a good price unfortunately. If homeowners and others during those periods don't keep their homes quite as cool, it really makes a substantial difference for us when we're out buying in that market. I think it's just absolutely critical at this stage that we do that because if we're able to manage that demand over the summer, then what it does for us, all of us as customers, is that we don't build up the arrearage of payments for fuel and purchase power prices. Seeing that we are not a purchaser of fuels, we're not a base load generator, we don't have any of those capabilities, during those heavy demand periods that can make a big difference. That's the same as the use of the load shedding devices, it's less demand on the system cumulatively at the time. So I wanted to put in that piece of educational information because Mr. Beyrle and I are routinely talking about what's happening on the market right now and what that means for us.

Mr. Rodi stated from a going forward standpoint, it's another one of those issues about what does one believe. Certainly temperatures globally are rising, what the cause of that I think is open to much serious debate. We have to take some steps to move ourselves off of so much grid dependency but still be able to take advantage of those benefits that are out there on the grid. And we hope, maybe next month, to have a presentation for one of our R&D projects. We've talked about this before, this particular project has extreme capability for multi-fuel use, it can use probably any carbonaceous material for fuel. It's a non-traditional approach, the direct operating costs are extremely competitive, and essentially this technology is one of those that could change the industry, it's that powerful. We've also asked that this company consider a

B. Discussion Concerning Conservation - Water Availability, Electric/Water Incentives, Education and Information (cont.):

manufacturing facility in the area, we tried to get them here into New Smyrna, but we don't have quite the building availability. I'm talking about physical type building that we would hope for, but they are seriously looking at that. They've given up their manufacturing facility in Orlando as a result of our negotiations with them. Mr. Allen's been involved with me, as has Mr. Beyrle, and I don't think I'm overemphasizing the potential for this technology. It is really very different and it is really an outgrowth of yet another technology, so that's where we are. It's modular, it's not big, it's unobtrusive, it's environmentally friendly, and can produce water. There's a lot of synergy with what we have available here. So we're hoping and we're working on some of the elements of the business aspects of this with them and then some of the operating characteristics. I wanted to mention that because, and I'll give you an example of maybe why that's important. We had gone out for an RFP here four or five months ago, maybe it's been longer than that, so much time so quickly. And what we were looking for were renewables, very specifically renewables because of mandates from Governor Crist and now the PSC has picked up on all those things. The reason why we did is we think at some point there will be an additional heavy cost for fossil based fuel sources. In the form of some tax, the cap and trade system which is being supported, is really an indirect tax. And even in the market place the traditional approaches with generation are almost cost prohibitive today. What I see happening is, for example, FP&L went out for 1,200 MW's combined cycle natural gas units. Very good solid equipment, but if you look at, and I need to make a very important point here, if you take a combined cycle unit, and there's any number of them, a simple cycle has a heat rate right around 10,000 BTU's for a kilowatt, and if you combine cycle, you pick up maybe 30% efficiency so that drops down to about 7,000. Well, natural gas right now is running \$11, \$12 per million BTU's, so for fuel alone, say you use the most efficient of these natural gas combined cycle units which are quick and easy, you can put them on the ground in a year as long as they're available. At 7,000 BTU's, and \$11 to \$12, you know you're talking 7.7 to 8.4 cents for fuel only, just for fuel. Then on top of that you have your operating costs that you load on, and a lot of those are 3 to 4 cents, so now you're at that level. And then you have 3 cents for the distribution aspects; and you can see that's a traditional source. If one then has a carbon tax that is added on top of that and a lot of those are forecasted to be maybe in the 10% range. You can see the incentive then is to economically try to drive the renewables. The problem is there isn't a ready access, just like Ms. Mahle was talking about with the drought tolerant plants, if you promote those then you have to make sure the supply chain is there to have that happen. So I think that in the near future the availability of some alternatives that are both competitively economical, fuel flexible, and modular, will provide a great deal of opportunity for us. A lot of hard work has been going on to do those kinds of things.

City Commissioner Grasty stated what about the long range plan.

Mr. Rodi stated that's again part of the long range plan to have enough of these units so that you can end up with enough local generation, some transmission dependency, because even the so called renewable portfolio standard, you're talking about 20%, we have 12% right now in

B. Discussion Concerning Conservation - Water Availability, Electric/Water Incentives, Education and Information (cont.):

nuclear; they keep changing the definition of what's renewable. And then on top of that our growth patterns are such that as we can start to add these units, then we can take over our own energy independence.

City Commissioner Grasty stated what about the future of nuclear in Florida.

Mr. Rodi stated well we had a workshop on nuclear and we had an option for the Levy Plant. We had decided it's probably best to play a wait and see with that. We had forecasted that perhaps the costs may be two to three times higher than what they were saying at the time without giving real numbers; so far they've doubled the costs. Today I received, from FP&L, an invitation to participate in their nuclear plants. Again, they're probably going to be quite expensive, they're good base load units, there's no question of that, but you're transmission dependent then. And so I think what we're trying to do is have a portfolio mix because the new nuclear plants they think they can have operating licenses in the 60 year range, which is very different than the old plants, so you know that investment goes over a longer period of time, assuming you have some place to put the spent fuel and all of those issues. So we're not quite sure that we want to buy more nuclear when we can perhaps obtain other power sources that eventually could become our own at a much less cost.

City Commissioner Grasty added decommissioning costs are expensive.

Mr. Rodi stated they haven't even settled that.

UC Commissioner Diesen commented it's a moving target too.

City Commissioner Hathaway stated what you're discussing with this company, it's not going to create emission problems, and it's not going to create noise problems, and it's not going to create visual problems on that property.

Mr. Rodi stated no.

Mr. Tolley stated he couldn't hear in the back to City Commissioner Hathaway.

City Commissioner Hathaway stated I asked him about emission issues, I asked him about noise issues, I asked him about visual issues where this particular plant might be located. He then asked is this going to be investor-owned or U.C. partner or U.C. owned.

Mr. Rodi stated at this point we're examining a purchased power agreement so that the technology is proven with an option then a purchase.

B. Discussion Concerning Conservation - Water Availability, Electric/Water Incentives, Education and Information (cont.):

City Commissioner Hathaway stated and what's a time frame in terms of if you meet, if you come to terms and you all work it out, what are we looking at, two years, three years.

Mr. Rodi stated no, we're looking at starting something within six months and then being able to get something on the ground in a year. Right now we're dealing with permitting.

City Commissioner Hathaway asked are these larger than peaking units.

Mr. Rodi answered no.

City Commissioner Hathaway stated do they use more power than peaking units.

Mr. Rodi stated collectively they can, and so what I'd suggest is you wait until you see the presentation because I don't want to keep reeling out parts of this. It's important to see that this has some very good flexibility; it really solves a lot of problems.

City Commissioner Grasty stated Swoope Plant, you haven't made up your mind yet what you're going to do yet and where you're going to go.

Mr. Rodi stated we have not.

City Commissioner Grasty stated so Swoope site is still an option for, until you come up with an option, you're still going to use that facility. You still need it for your generators there, for your maintenance right now.

Mr. Rodi stated we currently need to retain, as I've said before, at least a portion of the Swoope. I might add that sometimes back, the St. Johns has on it's alternate water supply plan, the Swoope site for a desal plant. Now we've suggested that's probably not a good location for a desal plant.

Vice Mayor Richenberg stated I wouldn't think so, the storm surge comes right through the inlet, and there it is at ground zero.

Mr. Rodi stated but we, at this point, from a timing standpoint, we could not give up the generation that's located at Swoope, it's important for us from a capacity standpoint alone.

City Commissioner Grasty stated because it's been talked about for years.

UC Commissioner Diesen stated twenty.

City Commissioner Grasty stated twenty years, yes.

B. Discussion Concerning Conservation - Water Availability, Electric/Water Incentives, Education and Information (cont.):

City Commissioner Plaskett stated with this new technology with this company, is it possible to eliminate the peaking units.

Mayor Mackay interjected the audience couldn't hear City Commissioner Plaskett.

City Commissioner Plaskett stated I was getting feedback, that's why I moved the microphone.

Mayor Mackay asked if she could ask the question again.

City Commissioner Plaskett stated sure, with this new technology with this company, could it possibly eliminate the peaking units on Field Street.

Mr. Rodi stated eventually.

City Commissioner Plaskett stated thank you.

Vice Mayor Richenberg commented you've peaked our interest Mr. Rodi.

Mr. Rodi stated yes, and the reason why I've brought it out now is in addition to the conservation aspects which are absolutely mandatory, the R&D projects brought forward, and there are another couple of companies that have some potential but they're not as far advanced as this one, but it's important to start to put some activity that's demonstrable that people can see, and that also ties in with the renewable aspects.

Vice Mayor Richenberg stated yes, and like you were saying, when you look at everything right now everything is so fluid. If you look at nuclear, decommissioning costs, you know, you look at the possible carbon tax, we see it in Europe now. I mean I've got friends from Europe that I spoke to this past month and they talked about several different types of carbon tax that have come into play in Great Britain and some of the other European countries.

Mr. Rodi stated but the important answer for the long term future is really very different than what has occurred in the past. Now I sometimes look at how much has changed, one project that I was a part of, we built three 130 MW gas turbine units in a year, just to get capacity on the ground. And that was important from a capacity standpoint but from a going forward standpoint here you don't want large units on a small system, what we need to do or have are units that we can have operating within our own capability and therefore be able to maintain them and change them in and out and not be caught in some dire straights because we're doing that. So everything's changing very rapidly, we're also hopeful that some of the new solar technologies will catch on. We're talking to some companies there that say they can participate if we get this other project moving.

B. Discussion Concerning Conservation - Water Availability, Electric/Water Incentives, Education and Information (cont.):

Mayor Mackay stated when you started talking about this renewable source, you said something about it produces water?

Mr. Rodi stated yes.

Mayor Mackay stated in meaningful amounts.

Mr. Rodi stated enough.

Mayor Mackay stated potable water.

Mr. Rodi stated yes.

Mayor Mackay stated really.

Mr. Rodi stated yes, but the key to this technology is that it compliments yet another technology that does produce a lot of water and can do so, but it's dependent upon a source. Some of the technologies that are available with this company are they can extract water out of the humidity in the air but you have to have a very economical source, even though they have very efficient compressors that are new and patented units; very, very different designs. But the technology I'm talking about uses the source like the deep well that we've been talking about that can pull water from the lower Floridan aquifer and quickly make that into a potable source or use it for an irrigation source. Our interest is to provide what is needed as opposed to just seeing it as a commercial venture, we're not approaching it from a commercial standpoint, it is simply to provide the security for the residents of New Smyrna.

City Commissioner Grasty stated supervisory control when they need it.

Mr. Rodi stated yes.

U.C. Chairman Allen then asked Mayor Mackay for a five minute break.

Mayor Mackay stated certainly, and then we'll take a three minute public participation.

After the break, Mr. Rodi stated to Mayor Mackay that UC Commissioner Hall had to leave.

City Commissioner Hathaway commented we don't have a quorum any more so.

City Commissioner Plaskett stated we had one when we started, it doesn't matter.

City Commissioner Hathaway stated I guess we're not going to call any questions then.

B. Discussion Concerning Conservation - Water Availability, Electric/Water Incentives, Education and Information (cont.):

After some comments about the temperature and an adjustment of the thermostat, City Commissioner Plaskett suggested another thermostat be installed in another part of the room.

Mayor Mackay then readjusted the joint workshop. She stated the lady who wanted to speak had to go home, I did go and apologize to her. The lady said no problem, she had spoken with Mr. Rodi and City Commissioner Hathaway. The Mayor then recognized another member of the public to speak.

Mr. Robert Rees addressed the Commission and stated on the load management, I was just wondering a lot of thoughts came across, if it's feasible to new construction, to sort of mandate load management on commercial buildings and all new residential. Because with load management on it, if you reduce that usage on air conditioning for five minutes at a time or something during peak hours, especially commercial buildings, it could save a lot of fuel costs on purchases of electricity. So that was one question I wanted to find out, I know it's voluntarily right now with residential, but how many of our commercial buildings are utilizing load management to lessen the burden for the whole customer rate.

Mr. Rodi stated well I think there are multiple answers. The larger companies like Wal-Mart that has received a lot of publicity, a lot of the McDonalds chains, you know the franchise stores, Home Depot and others, have the where withal to have energy management programs; they're usually pretty effective. What starts to happen are commercial customers who have limited resources, the same as most of us do, and therein is some of the issue because installing more efficient equipment is very capital intensive. So part of what I think the first approach is, happen to be making what you have as efficient as you can; so that's one answer. The replacement category starts to get into what's the cost benefit ratio for them, and when they're struggling for just paying for a lot of essentials and basics, there's a very limited opportunity. For new commercial, we were commenting before the break, that the State code has to be upgraded because the City itself can't unilaterally make something more stringent than what the State requires. And there's a lot of discussion right now about what should be mandated from a standpoint of design criteria and efficiency in buildings, so that's ongoing right now. I suggested that Mr. Rees might want to just ask his question, just for the awareness aspect.

Mr. Rees stated all right. And also like our new fire stations and police stations if there's a possibility of load management in those buildings.

Mr. Rodi stated yes.

Mayor Mackay stated now that you mention it, Mr. Rodi just a question please, that people could alter their thermostat and do a lot to manage the power consumption. What is the recommended temperature.

B. Discussion Concerning Conservation - Water Availability, Electric/Water Incentives, Education and Information (cont.):

Mr. Rodi stated a lot of it is comfort level but if you're at around 76 degrees, especially during the intense periods, it's enough to keep the humidity out of the air even with that higher temperature, rather than running it like 73 degrees. So as much as you can tolerate that higher temperature it will benefit you eventually long term in your own bill too. He stated speaking of a bill, I'd like to make a comment too, City Commissioner Grasty asked me to convey. I think you noticed that, and I brought this up at the U.C. Meeting, where FP&L has gone out for a 16% increase for fuel and purchased power and they have a great deal of sophistication in terms of both access and their hedging programs and fuel supplies. And what that means is on a per thousand kWh basis, as much of an equivalency as we can have with ourselves, right now we're at for the first 1,000 kWh, \$123.80, and that includes the 6%. FP&L, after this increase, which is expected to take place and be approved by the PSC in July, will be at \$126.04. So in just a short period of time, and you can see others like what happened with JEA and they've been the leader for years, as far as what they're doing, they just had a 15% increase. That's why I made the comment about trying to do all that we can in order to mitigate the effects of high costs through this summer period. So I just wanted to give a common sense example of what that was tied to.

Mayor Mackay asked if there were any more comments from the public, and there being none, she closed public participation. She then asked the Commissioners if they were done with this item.

UC Chairman Allen stated I wanted to say one thing while we were on the electric side and the R&D Project that may be forthcoming. Anybody that's been in the utility industry any length of time, and I had to think back as you look and you see there's a lot of push to use natural gas, there's a mindset out there, you know, that natural gas is exempt from any type of carbon taxing that may come in the future. But I remember the time when people went from natural gas to coal units, converting units, and now you see people converting coal units and going to natural gas. And the scary thing is maybe ten years from now, they're going to be in the same predicament, and so that's some of the reasoning when the RFP went out for R&D projects and looking, being forward looking and not just immediate. The concern comes as we can get anxious about the immediate and then we shoot ourselves in the foot because we didn't look outward. I'm thankful for staff that is looking outward and not looking at just one resource but looking at multiple and even integrating those R&D projects that may benefit one another and also benefit us. Then the other thing is, we've brought up in past discussions, that as we look at these R&D projects, even possibilities, it's not only just a project to sit here and supply water and energy, but also jobs for our future. So that's all I have to say.

Vice Mayor Richenberg stated Mayor if I could, I'd just like to go over discussions of the meeting, that we're in agreement we're going to develop an incentive program to promote xeriscaping, cistern/rain barrel related to water conservation, drip irrigation, and that we will be looking at drought tolerant grass and alternative area coverages, and that we'll develop information to provide to make this happen from anybody who's interested in that. I mean are we in agreement that at the next meeting we will gauge our progress on moving toward those.

B. Discussion Concerning Conservation - Water Availability, Electric/Water Incentives, Education and Information (cont.):

Does that sound good to everybody?

Mayor Mackay stated I'd like us to get some sort of plan at City Hall as well.

Vice Mayor Richenberg stated yes, we can do projects, I think that would be one of the first steps that we would want to do, I agree 100%.

UC Commissioner Diesen stated can I just say something, a piggyback of something you just brought up, I meant to before, was the rain barrels. I don't know if any of you are familiar with rain chains but they're very attractive. They're chains with little cups and the water comes down the chain and goes into the barrel, and they're very attractive so you're not having just a barrel sitting on the side of your house gathering water, and it's a small opening so you don't have the mosquitoes and all that.

City Commissioner Plaskett asked where do you get those.

Mr. Rodi stated they're not here locally.

UC Commissioner Diesen stated they're on the internet, I ordered them for my son because he has a one story house and he put them on all four corners with the barrels and then you can just irrigate your plants or whatever with the water. They're really nifty and some of them are butterflies, little cups or whatever, but they're really cool. So I just wanted to mention that because it's not something like you're just going to have a barrel stuck out beside the house.

City Commissioner Plaskett stated and is there some place locally that we can get the rain barrels.

UC Commissioner Diesen stated here.

Mr. Rodi stated we've been acting as a facilitator for that but even we had to make contacts to get them in here and once they see that there's a market, then they will more readily provide them. He asked Ms. Mahle if she remembered the name of the company?

Ms. Mahle stated it's called Recycle the Rain, a lady by the name of Bonnie out of Lake Helen makes them. She and her husband go some place and go get old pickle and olive barrels.

Mr. Rodi stated the plastic kind.

Ms. Mahle stated yes, the plastic kind.

City Commissioner Plaskett stated well I'd like to order some.

B. Discussion Concerning Conservation - Water Availability, Electric/Water Incentives, Education and Information (cont.):

Ms. Mahle stated I'll tell you where we are right now. We did a pilot program, we bought ten barrels, and the idea was, the U.C. cost is \$70.00 and if you were to drive out to her place, she'd charge you \$70. The U.C. contributed \$30 toward the cost, so we charged the customers \$40, so we recouped \$40 out of \$70. That type of thing is called a buy down program, so we were able to do that. It's the end of the fiscal year so for the upcoming fiscal year we have an arrangement with Bonnie to do additional barrels and do that same thing, but right now if anybody wants one, we give them Bonnie's contact information. The buy down is not available right now through the U.C., but will be again in October, but she has plenty.

City Commissioner Plaskett stated okay, I'll get her phone number later.

C. Review of Proposed Changes to Land Development Regulations

Mayor Mackay then stated are we done with item B. All right, everybody content, we're going to move on to item C., which is Review of Proposed Changes to Land Development Regulations, and I've been informed by Mr. Hagood that he and Mr. Rodi feel that if there's a little bit more time here, that they're going to bring this to resolution. So I'm going to ask City Commission, because I want to propose that this is deferred.

City Commissioner Plaskett stated I propose to defer it, or eliminate it all together.

Vice Mayor Richenberg seconded the motion.

The motion passed unanimously on a roll call vote by the City Clerk.

City Commissioner Hathway stated yes, but I'm not sure that this motion is in order, is this a workshop or a special meeting.

Mayor Mackay stated good point, okay.

UC Commissioner Diesen stated well you've got consensus.

Mayor Mackay stated yes, we have consensus, and then asked if there was any other business.

D. Other Business

City Commissioner Hathway stated yes Mayor, if I may. Originally, I wanted to discuss a little bit of the budget ...(tape change) ... to discuss the U.C.'s pay ranges. In light of the fact that there's only two U.C. Commissioners here, in light of the hour, hopefully we'll be able to discuss this again prior to us either adopting your budget or not. I don't know whether time will allow us to get together and discuss this again, but I have some questions I'd like to propose to the U.C. Commissioners when we go from there and the City Commission doles it's budget. He then

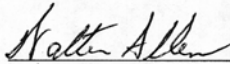
D. Other Business (cont.):

stated thank you Mayor, that's all I have.

Mayor Mackay stated okay, does anybody want to make a comment about that. There being no other business, she stated well we don't have a motion to adjourn but I think we have consensus.

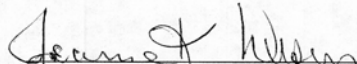
There being no further business to come before the two Commissions, Mayor Mackay adjourned the Joint Workshop. The workshop closed at 8:00 p.m.

APPROVED:



CHAIRMAN

ATTEST:



SECRETARY-TREASURER

These minutes were formally approved by the Utilities Commission at their July 21, 2008 meeting.