

AGENDA ITEM 2-a

MINUTES OF A REGULAR MEETING OF THE UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA, HELD MONDAY, MARCH 15, 2010, AT 6:00 P.M., AT 200 CANAL STREET, NEW SMYRNA BEACH, FLORIDA

Chairman Allen opened the regular U.C. meeting and stated we'll begin with an invocation as we stand, and then Commissioner Reynolds will lead us in the pledge.

Chairman Allen then requested for a roll call to be taken and all of the Commissioners were in attendance as follows:

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

Others in attendance were as follows: R. Rodi, General Manager/ CEO; L. Klinkenberg, Director of Finance; R. Mitchum, Director of Electric Operations; T. Beyrle, Director of System Ops. & Generation; P. Di Chiara, Director of H.R.; R. Lemoine, Director of I.T.; M. Lynch, Materials Manager; B. Bilinski, Controller/Budget Supervisor; E. Fisher, Public Information Manager; D. Wood, Customer Service Manager; D. Zorge, Customer Service Supervisor; B. Keehn, Administrative Support Specialist; D. Simmons, Exec. Adm. Offices Mgr./ Recording Secretary; W. Preston, U.C. Legal Counsel; and Bob Tolley, a member of the public.

(1) Agenda Changes, Additions and Deletions:

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

Mr. Rodi stated I have a few items during Possible Other Business – Time for Commissioners, if that's okay.

Chairman Allen confirmed that was fine.

(2) Approval of Consent Items:

Chairman Allen then stated item 2, the approval of the consent items, we have eight items on the consent agenda. He then asked if there was a motion to approve these items.

Commissioner Reynolds made a motion to approve the consent items: item 2-a. Minutes of Regular U.C. Meeting Held 2-22-10, approve as submitted; item 2-b. Bid No. 05-10 – Wooden Utility Poles (Central Stores), a motion to award Bid No. 05-10 to Gresco/Capstone Utility Supply for an annual contract to provide wooden utility poles for

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

Central Stores in the not-to-exceed amount of \$54,892*.(Purchase orders will be issued as needed), contract includes option to extend three additional one-year periods; item 2-c. Change Order No. 5-Hazen Construction, LLC for 20-Inch Potable Water Transmission Main Project, a motion ratifying the execution of Change Order No. 5 (an increase in the amount of \$10,564); item 2-d. Change Order No. 2- Ortega Industrial Contractors, Inc. for Glencoe WTP and Smith St. Pumping Station Water Facility Improvements, a motion ratifying the execution of Change Order No. 2 (an increase in the amount of \$24,705 and time extension of 21 days); item 2-e CDBM (Chlorodibromomethane) Feasibility Study – Quentin L. Hampton & Assoc., Inc. (QLH), a motion ratifying the execution of the Task Authorization Form submitted by QLH for the preparation of a CDBM Feasibility Study (FDEP requirement) as submitted, in the not-to-exceed amount of \$9,500; item 2-f. Directional Bores – U.S. 1 and S.R. 44, a motion authorizing B&B Underground to perform two directional bores at US 1 and S.R. 44, in the amount of \$44,627, and additionally authorize New South Associates, Inc. to perform the required archaeological study associated with the directional bore at U.S. 1 in the amount of \$754.02, funding from the infrastructure fund and authorization for the General Manager/CEO to execute any and all documents associated with same; item 2-g. 2010 Compliance Studies for NERC TPL and FAC Standards, a motion ratifying the approval of a Task Authorization Form with R.W. Beck, Inc. (copy attached to agenda item), to perform Task No. 10 related to 2010 Compliance Studies for NERC TPL and FAC Standards, for a not-to-exceed amount of \$16,000; and item 2-h. First Amendment to Information System Agreement (Settlement Agreement) – Systems & Software, Inc., a motion to approve this Amendment to the Information System Agreement dated 6-19-07 and authorization for the GM/CEO to execute said document on behalf of the U.C. Commissioner Diesen seconded this motion and it passed unanimously on a roll call vote.

(3) Public Participation:

Chairman Allen then stated next is item 3, public participation, and asked if there was any general public that want to participate.

Chairman Allen commented it's good to see Mr. Tolley here tonight.

After confirming there was no public participation at this time, Chairman Allen closed public participation.

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

(4-a) Financial Status –February 2010:

Chairman Allen then stated moving on to the General Manager's Report and item 4-a. Financial Status (February 2010).

(4-a) Financial Status –February 2010 (cont.):

Ms. Klinkenberg addressed the Commission and stated for the month ending February 28, 2010, our change in net assets for the combined system was \$342,510, reported on the GAAP basis. She stated on our combined forecast report, which compares our budget versus actual, we have a favorable variance of \$502,590. She stated our fuel adjustment has an over-recovery balance of \$233,738.

Ms. Klinkenberg then stated if I can call your attention on your agenda packet in the General Manager's Report, under the key performance indicators, under the O&M section for expenditures, it looks like we're over budget. That does include the fuel and purchased power and if we take that out of the calculation, we're actually under budget for the current month by 6.11%, and for the year we're under budget by 3.5%.

Ms. Klinkenberg stated we've been diligently working on the budget, and later this evening you will have a copy of the draft budget for 2011 and our CIP (Capital Improvements Project) for your review, and at a later date we'll be having a meeting to actually review it and seek your approval. She then offered to answer any questions.

Chairman Allen confirmed there were no further questions for Ms. Klinkenberg and then commented the electric side does impact the budget quite a bit.

Ms. Klinkenberg commented we have no control over that so actually by pulling it out it shows how we're really doing against our budget.

(5) Commission Counsel's Report:

Chairman Allen then moved on to item 5, Commission Counsel's Report. He asked Mr. Preston if he had a report.

Mr. Preston answered no report.

(6) Old Business

Chairman Allen commented there were no old business items to consider.

(7) New Business

(7-a) Authorization for Director of Finance to Execute Official (Appropriate) Documents Required by Governmental Agencies – Proposed Resolution No. 01-10:

Chairman Allen then stated item 7-a., authorization for Director of Finance to execute official documents required by governmental agencies – Proposed Resolution No. 01-10.

Mr. Rodi stated this is very straight forward.

(7-a) Authorization for Director of Finance to Execute Official (Appropriate) Documents Required by Governmental Agencies – Proposed Resolution No. 01-10 (cont.):

Commissioner Diesen asked why have we been so long in doing that.

Mr. Rodi stated well at first it was a delegation to me so that I could do it, and then when we started thinking about it a little bit, there are times when I'm not always immediately available, and so Ms. Klinkenberg ought to be able to that as well.

Commissioner Diesen confirmed that Mr. Rodi will still basically do it, unless you're not here, then it defaults to Ms. Klinkenberg.

Commissioner Diesen then made a motion to approve the resolution regarding execution authority for the Director of Finance for appropriate governmental agency documents (i.e., FEMA). Upon approval the resolution was numbered 01-10 and will become effective immediately upon passage. Commissioner Reynolds seconded this motion and it passed unanimously on a roll call vote

(8) Possible Other Business – Time for Commissioners:

Chairman Allen said he would start this item with Mr. Rodi.

Mr. Rodi stated as an information item, this Thursday evening from 6:00 to 9:00 p.m. in this room, it is our day to host the Citizen's Academy. As you may recall this is a new program that was started by the City to help acquaint citizens about the workings of City government; so we will have a very full session for that evening.

Mr. Rodi stated another information item, at the last meeting you authorized us to move forward with the drilling of the deep well for the alternative water supply and I just wanted to let you know that Jim White will be proceeding with a full fledged bid for that even though he, as well as I, am reluctant to involve the four weeks or so that it will take to go through that process. But in reading the background from all of the different resolutions, we think that's the best approach at this time. We will have our water experts participating in the evaluation, as well as the structure of the request, because they are the ones that will also have to validate the information from the drilling; so it can get to be pretty complex.

Mr. Rodi then stated the last information item that I have is, for the last few years I've been working with an R&D Project that has progressed to the point that they, this company, may want to make a presentation to this Commission in the next month or so. And this is a company that has very sophisticated alternative ways of processing water, as well as generating electricity, and one of their concepts is a solar pond, and I referred to it at the last meeting. It, along with the Horizon Project, promises to realistically produce power at a lesser rate than we're paying today, and he added these are renewable projects, which is not very common in the renewable industry. So I wanted to make you aware of that, hopefully they'll come forward, and they have their own financing as well.

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

Mr. Rodi stated the latest on Horizon, because I can see the look, is that they sent a response to me that they still have their financing, however they are taking on another financing partner that is a major competitor to Waste Management; so very deep pockets, an international company. I had no idea they were headed to Milwaukee, of all places, that's the last I knew. He then thanked Chairman Allen and stated that was all he had.

Chairman Allen then proceeded to the Commissioners for "Commissioner's Time". He started with Commissioner Reynolds.

Commissioner Reynolds stated I had sent an email to Mr. Rodi about, after we looked over Philadelphia here (referring to wallpaper in DeBerry Room), perhaps changing that wall and invite the Artist's Workshop to display art paintings over there which would be changed out periodically. And of course we've been informed that this is a national historic site over here, this wallpaper, and therefore it will rest there until the end of time. So it just goes to show you when you take government money, you owe them something. The second thing is, and you probably read it in the paper, I think it was Cocoa. Cocoa is drilling a deep well of which they are going to put their "sewage" (reuse water) in and commented hopefully it's not connected to our deep well. So if we can work on that, at least be aware of it, because who knows what goes on underground, you know, 1,000 feet down. But I thought that was interesting, we're looking for good water and they're putting their reuse water down there, unprocessed I might add.

Mr. Rodi stated just for information, in Florida it's relatively common practice for generating companies to send their very saline byproduct water in a deep well, to the lower Floridan.

Commissioner Diesen commented watch out for the sink holes in the Cocoa area.

Commissioner Reynolds then stated I guess for the last thing, this Thursday, are we invited too (referring to the UC's portion of the City of NSB Citizen's Academy).

Mr. Rodi stated sure, if you care to attend.

Chairman Allen confirmed Commissioners Zeller and Hall did not have any comments, and proceeded to Commissioner Diesen.

Commissioner Diesen stated I just wanted to say welcome back Mr. Lemoine, we're glad to see you, you look terrific. She confirmed that he was feeling well, and reiterated it's good to have him back.

Chairman Allen stated I have no comments tonight and confirmed there was no further UC business.

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


There being no further business to come before the Commission, Chairman Allen closed the Regular U.C. meeting at 6:18 p.m.

APPROVED:

ATTEST:



CHAIRMAN



SECRETARY-TREASURER

These minutes were formally approved by the Utilities Commission at their
April 19, 2010 meeting.