

MINUTES OF REGULAR MEETING OF THE UTILITIES COMMISSION, CITY OF
NEW SMYRNA BEACH, FLORIDA, HELD MONDAY, JANUARY 23, 2017, AT 6:00
P.M.*, AT 200 CANAL STREET, NEW SMYRNA BEACH, FLORIDA

*(*Regular Meeting commenced after conclusion of Final Public Hearing.)*

(1) Final Public Hearing Regarding Revisions (Increases) and Establishment of Potable
Water, Irrigation Water, Wastewater and Reclaimed Water Capacity Fee Charges:

Chairman Biedenbach opened the Final Public Hearing with prayer and the pledge. Mr. Preston provided the invocation and Commissioner Griffith led in the pledge of allegiance. He then stated the first item of business tonight is the hearing for a new rate structure and requested Mrs. Simmons to call the roll. A majority of the Commissioners were in attendance as follows:

Chairman William E. Biedenbach
Commissioner Bernadette Britz-Parker (ABSENT)
Commissioner James Davenport
Commissioner Lee B. Griffith
Commissioner Jack Holcomb

Others in attendance were as follows: R. Mitchum, General Manager/ CEO; T. Beyrle, Director of System Ops. & Generation; D. Hoover, Director of Water Resources; B. Bilinski, Director of Finance; M. Rodriguez, Director of Electric Operations; D. Wainscott, Director of Engineering; B. Pitcher, Human Resources/Benefits Manager; D. Wood, Customer Service Manager; D. Zorge, Customer Service Supervisor; E. Fisher, Info. Officer-Employee Relations Coordinator; B. Keehn, Interim I.T. Manager; D. Simmons, Exec. Services Mgr./ Recording Secretary; W. Preston, U.C. Legal Counsel; Khalid Resheidat, Asst. City Mgr./City of NSB; Kyle Fegley, P.E. City Engineer; Bryan Mantz and Henry Thomas, representatives for PRMG; and Walter Allen, Jake Hickson, Paul Rechichar, unidentified woman and men (three), all members of the public.

Chairman Biedenbach then stated Mr. Attorney, would you please read the (notice), by title only (resolution).

Mr. Preston stated this final public hearing was authorized by the Utilities Commission during their September 19, 2016, Regular U.C. Meeting for December 19, 2016. The final public hearing date was then revised on November 21, 2016, to be held on January 23, 2017. Notices appeared in the Orlando Sentinel at least 10 days prior to this date. A bill insert was included in the November billing as required by Florida Statutes 180.136, for an increase in water resources capacity fees and the revised public hearing date was included as a bill message in December and January. Notices were also placed on the bulletin board at the Utilities Commission office at 200 Canal Street and City Hall, 210 Sams Avenue. Proof of publication of advertisement for this hearing will become a part of the minutes. He then stated I'm done.

(1) Final Public Hearing Regarding Revisions (Increases) and Establishment of Potable Water, Irrigation Water, Wastewater and Reclaimed Water Capacity Fee Charges (cont.):

Chairman Biedenbach stated thank you.

Mr. Preston then stated I'm not done. Resolution No., proposed Resolution No. 1-17, a resolution revising and establishing potable water, irrigation water, wastewater and reclaimed water capacity fee charges to all users or points of use utilizing the potable water, irrigation water, wastewater and reclaimed water systems of the Utilities Commission, City of New Smyrna Beach, Florida, rescinding resolution nos. 6-04, 7-04, and 4-07, and all resolutions or portions thereof in conflict herewith and providing for an effective date. He then stated now I'm done.

Chairman Biedenbach stated now you're done, okay. I'm going to open the floor to anybody that wants to speak for or against these rate increases. You will be asked to come to the podium, state your name, address, and there is a three minute allowable on this. If you go over the three minutes, if it's, if we want to continue to hear you we will so nod, if not we won't. So anybody who wants to speak for or against it please come to the podium there.

Mr. Hickson then came to the podium and commented that he didn't have to outrun anybody to the podium, I see. He then stated his name, Jake Hickson, 2665 Old Smyrna Trail, New Smyrna Beach. I'm speaking out against the fee increases and the creation of the irrigation capacity fee. I'm here also as a representative of the Volusia Homebuilder's Association, Hickson Construction, that has been building here in New Smyrna for 37 years. And our association strongly opposes these increases, especially in the manner it's being imposed, from zero to \$2,680, all in one fell swoop. I don't really have any new, earth shattering information from the last time I was here (also spoke against at 11-21-16 preliminary public hearing), but I do want to reiterate some of the issues that the building and development community have about this. It's my feeling that this fee is being imposed, and I've been told as much basically by someone in the U.C. staff, in part to discourage people from using irrigation meters. You cannot impose a fee to try to influence somebody's behavior, the fee needs to be based on something. I know that there's a study that says people with the irrigation meters use twice as much as those without the irrigation meters. Well, they pay for that water, and that water does not come cheaply. With the reclaimed water meters you have a capacity fee already in place and when it's available the people pay for that and then they get, you know, a pretty good bargain on their water.

Mr. Hickson continued, where there's a lot of areas in this City that that's not available. To be honest, in the past five years I haven't built a single house where it has been available and we do quite a bit of construction here, beachside, up and down Riverside, out Turnbull Bay area. You know none of those areas have the reuse available to them or we would use it. So when we don't have that available, we, we put in irrigation meters and they pay for that water. They don't have to pay for the waste side of the water when we put in the irrigation meters. But if this thing gets passed, we're not going to put in the irrigation meters anymore and the folks are going to get their first couple of irrigation bills, they're still going to water their grass but they're not going to have that irrigation meter and they're going to be astonished at

(1) Final Public Hearing Regarding Revisions (Increases) and Establishment of Potable Water, Irrigation Water, Wastewater and Reclaimed Water Capacity Fee Charges (cont.):

how much money they're spending on the water. And they're going to be upset with me as the builder and then they're going to come down here and be upset at the Utilities Commission. And then they're going to see how can I lower that rate and they're going to find out that that, you know, that capacity fee to set that meter is upwards of \$3,000 after you pay the connection fee and the impact fee, capacity fee, whatever you want to call it. And, and then they're going to, you know, have a very hard decision and maybe realize why the builder didn't set that meter.

Mr. Hickson stated so I've said before, when I was here, just to give some comparison on the fee, the builders currently pay a \$3,000 impact fee for the schools, and that's something we've worked hard at, you know, keeping it at a reasonable dependable rate. I don't know how you can justify the cost of an irrigation meter being on par with what it costs to build new schools for our children to be honest with you, so. I would also like to, while I'm here, verify what was told to myself but it's going to affect a lot of other builders with their communities and development agreements. I was, said that, I was told that it's not going to affect any, any development agreements that are already in place. And that the, then if the capacity fee for the irrigation is not on that development agreement then we wouldn't have to be panned out on the new lot, or the existing lots, or the increases. But in going to the mailer that was sent out, if you look at note four under the capacity fee charges it doesn't exclude existing developments and it doesn't say anything about development agreements and it says that it applied to all applications for service. Up for around the page on red, it also says the proposed fee increase will be applied to all new and upsize meter requests. So, you know, I don't feel comfortable with at least this wording, and maybe there's an elaboration somewhere, that when we go to pay these new meters to be set that they won't try to charge us the new fees.

Mr. Hickson stated and the last thing is, you know, I'd say that even if you determine that a fee is necessary, I at least ask you that you ease into it. Going from zero to \$2,600, which again is twice the amount of the impact fee on water, you could put your water capacity fee and your wastewater capacity fee, and that amount equals irrigation capacity fee. It just seems totally out of whack. It's been suggested that we were kind of getting a free pass and now we're having to pay for it. Well, like I said we've been building here for 37 years and if something hasn't cost anything for 37 years it's a hard argument to say that you've been getting a free pass. That's just the kind of way it's been, and so from going to zero to \$2,600 is, is a big chunk, so. I appreciate ya'lls time.

Chairman Biedenbach stated thank you.

Another man approached the podium and stated good evening, my name's Paul Rechichar, 2665 Ava Circle (Port Orange). I am a builder also and we do a lot of building in Venetian Bay and we do have some property outside that we know that we're going to be developing probably in the next two years; reclaimed is not available there. So I'm here to support Jake

(1) Final Public Hearing Regarding Revisions (Increases) and Establishment of Potable Water, Irrigation Water, Wastewater and Reclaimed Water Capacity Fee Charges (cont.):

in our talks that we had with the VBIA, and also between ourselves. It's definitely going to affect us when we go to do the new developments. We, we still want to do single family out there, going to be larger lots, probably a lot of our customers are probably going to try to revert to wells. Costs me about \$4,000 to do a well, to drill a well, I know customers that are going to want to pay \$4,000 rather than paying that capacity fee and then paying that high water usage every month also. So I, I, we really don't understand why it's so high, plus the fact that you're going to be paying for potable water instead of reclaimed water. And the only other question I had was, how did or how did we decide to increase the capacity fees on the existing meters that we already have on out there. I know it adds up for me, \$220 a home, but if I'm building 50 or 60 homes in a year, some I already have enclosed, I'm just curious why that fee, the capacity fee now increase, came about. He then concluded by stating okay.

Chairman Biedenbach stated thank you, and then asked anybody else? Seeing none, I will close the hearing.

Commissioner Holcomb stated we can comment on it, right.

Chairman Biedenbach stated we comment when we're passing this legislation later on.

Mr. Preston stated correct, that's an agenda item.

Chairman Biedenbach stated yes, that's an agenda item.

Commissioner Holcomb then stated right.

This final Public Hearing concluded at 6:12 p.m.

REGULAR U.C. MEETING –

Chairman Biedenbach stated we now open the meeting to the Regular Meeting. (The attendees were the same as shown above under the Final Public Hearing.)

(1) Agenda Changes, Additions and Deletions:

Chairman Biedenbach asked Mr. Mitchum if there were any additions, deletions, or changes?

Mr. Mitchum stated no sir.

(2) Public Participation:

Chairman Biedenbach stated again, now is the time for public participation. Does anybody want to come before the Commission on any other item? He then stated seeing none, it's closed.

(3) Approval of Consent Items:

Chairman Biedenbach then stated okay, I'm looking for approval of the consent items, does anybody have anything they want to take off.

Commissioner Holcomb stated I'd like to pull e. and g.

Chairman Biedenbach reiterated e. and g., then anybody else?

Commissioner Griffith stated I move we accept a, b, c, d, f, and h. Specifically, a motion to accept and approve consent items 3-a. Minutes of Regular U.C. Meeting Held 12-19-16, approve as submitted; item 3-b. Developer's Agreement and Addendum – RaceTrac (S.R. 44) – RaceTrac Petroleum, Inc., approve as submitted and authorize the General Manager/CEO or his designee to execute said document; item 3-c. ITB #01-17 – WRF Vacuum Truck Disposal Site, approve and award ITB No. 01-17 to Sparks Concrete in the amount of \$63,939, and authorize the General Manager/CEO or his designee to execute the documents associated with this project; item 3-d. ITB #04-17 – Electric Pad Mounted Switchgears, approve and award ITB No. 04-17 to the evaluated low bidder, Stuart C. Irby Company for the pad-mounted switchgears specified in the bid in the amount of \$107,559.88 (includes sales tax); 3-f. Subaqueous Electric Line (ITB #13-15) – 23 kV ICWW Crossing at North Causeway – Change Order No. 1, approve C.O. 1 in the amount of \$33,000.53 for this project and authorize the GM/CEO or his designee to execute all documents associated with this matter; and 3-h. Emergency Expenditures – Hurricane Matthew (Update 2), approve Hurricane Matthew related expenditures in the amount of \$193,936.86, necessary to restore services to customers.

Commissioner Davenport stated I'll second that.

Chairman Biedenbach stated it's been moved and seconded, Mrs. Simmons please call the roll.

Commissioner Griffith's previous motion then passed unanimously on a roll call vote.

(3-e) Field St. Generation Unit #2 (ITB #8-16) – Alignment and Balancing of Gas Turbine:

Chairman Biedenbach stated okay, Commissioner Holcomb do you want to go, e.

Commissioner Holcomb stated yes, e., I'm just, I'm looking at this and a couple of things that concern me is that these gears that we're looking for, that, it's been so hard to find and they're out there. Is there a bigger problem lying in this than we're seeing here right now, and that's the... Really what it comes down to is when you read this we're looking for a needle in a haystack, not in the United States but in the world for these gears, and how old is our equipment and is this something that, you know, going to be a continuing problem with this piece or where do we see this. Could this be a bigger problem is what I'm looking for, so I don't know who answers that.

(3-e) Field St. Generation Unit #2 (ITB #8-16) – Alignment and Balancing of Gas Turbine (cont.):

Commissioner Griffith commented Mr. Wainscott.

Mr. Wainscott addressed the Commission by stating his name and position title, Mr. Chairman, Commissioners, good evening. The..., then stated Commissioner I'm not sure I heard a real question there that I can answer.

Commissioner Holcomb stated well, I'm just, is this, are we, at least of the gears, four times the original contract price. Then I guess we've looked, research, pricing, yes, MBA had to conduct a research around the globe to find the gears suitable for replacement, they discovered three options. So what, where are we, it seems like you got into quite a bit of a problem here, Mr. Mitchum, and then we're outside the scope of the contract. And, I don't normally think that we have to go, it seemed like it was very hard to find the parts for what we were fixing or the gears or whatever the solution was. I didn't understand it, that's why you're up there, clarify that for me.

Mr. Wainscott stated that's, that's correct. It took several months for them to find the three options, and the first option that they found was a new gear system which was somewhere in the ball park of \$400,000, just for the gears.

Commissioner Holcomb stated right.

Mr. Wainscott continued, and it was going to be a 52-week lead time for those gears which doesn't sound very practical to me in any aspect. They went back and tried to find used gears for the same model number of the unit, and they found two options but those gears had to be refurbished and also very long lead item on that. And the gears can't be salvaged, they can't be restored, they're missing parts of their teeth. The example we used today was like an old pencil sharpener is the type of gears that are there, and there's probably, about the size of my index fingers, parts of a gears missing. And you just can't, you just can't refurbish it and spin it and expect it to work for as long as we expect to keep the unit.

Commissioner Holcomb stated right.

Mr. Wainscott then stated does that answer your question some.

Commissioner Holcomb stated well, yes, it just sounds like we're getting to the end of this, of the shelf life of this piece of equipment.

Mr. Wainscott stated I'll defer to Mr. Beyrle on that one sir.

Commissioner Holcomb stated all right, I guess this..., I don't understand.

Mr. Beyrle stated really what it comes down to, as Mr. Wainscott said, it's a very specific gear box manufacturer.

(3-e) Field St. Generation Unit #2 (ITB #8-16) – Alignment and Balancing of Gas Turbine (cont.):

Commissioner Holcomb stated okay.

Mr. Beyrle continued, we can't just, you know, get something from another G.E. unit, it's very specific to this unit, and that's where the difficulty has been in finding replacement gears.

Commissioner Holcomb stated all right, so...

Chairman Biedenbach stated can you..., sorry have you finished?

Commissioner Holcomb stated no, go ahead.

Chairman Biedenbach stated Mr. Beyrle, I, this one really gives me some heartache. We're going to be upwards of a half of million bucks when we finish playing around with this thing. Then we're going to look at this and want to put another half of million bucks into the two units to put exhaust pipes on them, or silencers. Now we're going to spend a million bucks on these couple of units, and we've been without them better than two years at this point.

Mr. Beyrle stated the one unit we've been without, the other unit's still operational.

Chairman Biedenbach stated we've been without this one unit of the two of them, for better than two years now. We haven't run out of electricity, we haven't bumped our Federal, whatever that thing is out there where we have to keep so much in reserve. I ain't excited about this kind of spending money down here when the power is out there on the market. Can you get into a little bit of a discussion here and tell me why I might be wrong.

Mr. Beyrle stated well, the power's out there on the market right now. You know, we, before the recession capacity was getting tighter, things fell apart. There's lots of excess capacity out there right now.

Chairman Biedenbach stated I understand, I understand that part of the 207 or 2007; I understand that.

Mr. Beyrle stated right, and we haven't had any severe weather, essentially, in the last six winters; 2010 was when we did our all-time winter peak. You know, what our peaks are, very weather dependent in the winter, as is the whole state of Florida. The whole state hit a record peak by 10% back in 2010. So the electricity is available out there now, but that's not always going to be the case.

Chairman Biedenbach stated did we have to run these generators in 2010 when we hit the peaks.

Mr. Beyrle stated yes, yes we had both units available.

(3-e) Field St. Generation Unit #2 (ITB #8-16) – Alignment and Balancing of Gas Turbine (cont.):

Chairman Biedenbach stated for how long Mr. Beyrle.

Mr. Beyrle stated it was over a span of about three or four days, when we had temperatures, I think one day got about 40 degrees for about a week. We ran four, I think it was three or four days, quite a bit.

Chairman Biedenbach stated what was the megawatt that we used in the peak.

Mr. Beyrle stated we probably had 40 MW's on both units total.

Chairman Biedenbach stated what did we peak...

Mr. Beyrle stated we peaked at 109.

Chairman Biedenbach stated that's not the most we've ever had, we had a 110 last summer.

Mr. Beyrle stated no, we had 101, and reiterated we had 101.

Chairman Biedenbach reiterated 101, not 110, I got my numbers wrong.

Mr. Beyrle stated yes, and they're, you know, the peaks around the state weren't as bad. You know the whole state wasn't hitting those peaks like we saw. They were, they were high because we had a, you know, extended drought at the beginning of July, but summer peaks are not usually as severe as winter peaks in Florida.

Commissioner Holcomb stated I just, my concern is are we putting bad money after bad money, kind of, you know what I'm saying. Or is there, come to a point where you say it's time to maybe look at replacing it all versus...

Mr. Beyrle stated well a new unit, you know we bought 48 MW of generation for \$12 million. If you went out and bought 12 MW of new generation you're looking at probably \$48 to \$72 million.

Chairman Biedenbach interjected \$100 million, \$100 million, it's \$2 million bucks a (inaudible).

Mr. Beyrle simultaneously stated right, for brand new.

Chairman Biedenbach stated yes.

Commissioner Holcomb stated right.

(3-e) Field St. Generation Unit #2 (ITB #8-16) – Alignment and Balancing of Gas Turbine (cont.):

Mr. Beyrle stated and then, we're running on diesel which makes them a little farther out of the money.

Commissioner Holcomb stated right.

Mr. Beyrle continued, just because there's no real natural gas supply here.

Commissioner Holcomb stated so we've got what we got.

Mr. Beyrle stated yes.

Commissioner Holcomb stated all right, I just, like I said for me it was more clarity than it was anything else.

Mr. Beyrle stated the units are mid-70's vintage when they were originally built.

Commissioner Holcomb stated what's the shelf life of something like that?

Mr. Beyrle stated they can go for a lot longer.

Commissioner Griffith commented longer time.

Commissioner Holcomb stated okay, all right, fair enough.

(3-g) Information Security Policies and Procedures:

Chairman Biedenbach stated all right, let's talk about g.

Commissioner Holcomb stated let me get to g.

(3-e) Field St. Generation Unit #2 (ITB #8-16) – Alignment and Balancing of Gas Turbine (cont.):

Chairman Biedenbach then stated I'm sorry, are there any more questions for Mr. Beyrle.

Commissioner Griffith stated just a quick question, Mr. Chairman. Mr. Beyrle isn't there a requirement we have to keep something running in order to be eligible for purchase of some of the power contracts.

Mr. Beyrle stated we use these, in some cases we use these as back-up for some of the non-firm purchases we do.

Commissioner Griffith stated right.

(3-e) Field St. Generation Unit #2 (ITB #8-16) – Alignment and Balancing of Gas Turbine (cont.):

Mr. Beyrle continued, on a daily and weekly basis. So we need to have some generation available.

Commissioner Griffith restated, available.

Mr. Beyrle stated yes.

Commissioner Griffith stated so it's generation availability.

Mr. Beyrle stated right.

Commissioner Griffith stated okay, thanks, I just needed some clarity on that too.

Commissioner Holcomb added, I don't usually deal with that every day.

(3-g) Information Security Policies and Procedures (cont.):

Commissioner Holcomb then stated all right, g.?

Chairman Biedenbach stated yes.

Commissioner Holcomb stated if, on that it's just a little more clarity. This is basically we're adopting policy, is that what we're doing here or...

Mrs. Keehn stated yes, correct, this is written by Trustwave for us and it's part of the PCI regulations and it's also part of the standard operating procedures for the whole I.T. system. So when we get this implemented then we're going to start doing the required practices, policies, procedures. But if we were to put it in your agenda package it would have gone on the world wide web and so then they would have a playbook as to how we're doing our I.T. policies and procedures and it was recommended not to do that.

Commissioner Holcomb stated fair enough, I just wanted to understand it, but will, our training will come after we conclude, then we're done, okay.

Mrs. Keehn stated correct.

Commissioner Griffith stated good, I had the same question.

Commissioner Holcomb stated all right.

Commissioner Griffith stated so, thanks, I see that and I understand that.

(3-g) Information Security Policies and Procedures (cont.):

Mrs. Keehn stated and we do have it if you'd like to review it or see what it's about. If you want to come in and look at it, Debbie Simmons can schedule a time and it's right here and it's very thorough. And it's worth taking a look at if you're interested.

Commissioner Griffith stated okay, based on the importance of and our challenges.

Commissioner Holcomb interjected what we've gone through.

Mrs. Keehn added and current challenges.

Commissioner Griffith continued, I think we ought to take a look at it, exactly, would like to.

Both Commissioners thanked Mrs. Keehn.

(3-e) Field St. Generation Unit #2 (ITB #8-16) – Alignment and Balancing of Gas Turbine
And

(3-g) Information Security Policies and Procedures (cont.):

Commissioner Griffith then stated we're good, good to go. I move that we approve consent items e. and g.: 3-e. Approve Change Order No. 2 in the amount of \$5,890.00 and the final invoice submitted by MDA for the Alignment and Balancing of Gas Turbine Generator No. 2 at the Field Street Facility (ITB #08-16), and authorize the General Manager/CEO or his designee to execute all documents associated with this matter; and 3-g. Formally approve the proposed Information Security Policies and Procedures developed by Trustwave Holdings, Inc., required for maintaining PCI compliance and in support of overall security compliance and best practices.

Chairman Biedenbach stated I need a second.

Commissioner Holcomb stated I'll second.

Chairman Biedenbach stated okay, Mrs. Simmons please.

Commissioner Griffith's previous motion then passed unanimously on a roll call vote.

(4) General Manager's Report:

Chairman Biedenbach then stated Mr. Bilinski, you want to tell us how much money we have please.

(4-a) Financial Status – December 2016:

Mr. Bilinski addressed the Commission by stating good evening Commissioners. For the month ended December 31, 2016, the Utilities Commission's change in net assets for the

(4-a) Financial Status – December 2016 (cont.):

combined system is a negative \$168,172, which is consistent with budgeted activity for the month. The balance in the fuel and purchased power account is an over recovery of \$2.1 million, which is an increase of approximately \$174,000 for the month.

Mr. Bilinski continued, the State has finalized their FRS pension numbers and we expect to be able to present the 2016 CAFR in its final form at the February 27th meeting. He then offered to answer any questions.

Chairman Biedenbach asked Mr. Bilinski, if our net asset is \$164,000 and we were over-recovery in the fuel of \$174,000, explain to me why these didn't almost cancel one another. Or am I over here and over here in the account...

Mr. Bilinski stated correct.

Chairman Biedenbach stated thank you, all right, any other questions for Mr. Bilinski? There being none, he stated thank you sir.

(5) Commission Counsel's Report:

Chairman Biedenbach then stated Mr. Preston.

Mr. Preston stated I have no report.

(6) Old Business

(6-a) Revisions to Potable Water, Wastewater and Reclaimed Water Capacity Fees and Establishment of Irrigation Water Capacity Fees (U.C. Resolution No. 1-17):

Chairman Biedenbach stated okay, potable water. Anybody want to talk about it or do you just want to pass it.

Commissioner Davenport stated I'd like to address what Mr. Hickson said here in what was sent out. And I remember it being said from our meeting, and I don't have the minutes, that we would leave in place what was already there and not be asking them to put the new fee into place as Jake just said there. I need some clarity on that, personally.

Chairman Biedenbach stated okay, does anybody want to tell us how that notice went out without the...

Commissioner Holcomb stated no...

Mr. Preston stated if I may, if I understood the comment correctly, you received the notice Mr. Hickson which said that the fees would be applied to water meters. There is no fee that can be, no rate, pursuant to any new or revised fee structure retroactively. You, we, operate

(6-a) Revisions to Potable Water, Wastewater and Reclaimed Water Capacity Fees and Establishment of Irrigation Water Capacity Fees (U.C. Resolution No. 1-17) (cont.):

within a few structure, a tariff structure that when changed, changes forward. And I believe that was your question the last time, do these fees and the change, the revised fees, apply to prior development, and no they do not. By law, we cannot.

Commissioner Davenport stated I, I understood it..., excuse me.

Chairman Biedenbach stated go ahead.

Commissioner Davenport continued, I understood it that if he had something on the drawing board and he'd come before the U.C. with a developer's agreement, and they had proposed this development and we had agreed to it, then he would not have to pay that fee in the future. I understand the fees in the future but you know you can have a project on the drawing board for a while. Is that the way you..., help me out.

Commissioner Holcomb stated I understood it that way too, that if you had a developer's agreement already in place, that would not be affected moving forward. I think he had the phase, phase 1 of his property was done, we were unclear whether phase 2 had been completed or not. But it was, that if there's a developer's agreement already approved by us with the developer, that that would be, we would adhere to that time frame and that said it when we were done.

Mr. Wainscott stated that's correct, Mr. Hickson has phase 2 of Florida Days already under agreement with the Commission.

Commissioner Holcomb stated so he, those will not be affected by the new.

Mr. Wainscott stated that was my understanding of the new (inaudible), and I believe I said that at this podium.

Commissioner Holcomb stated right, right, so I was correct.

Mr. Preston stated that was correct, anything that has been agreed to, not something that is in progress but not yet final.

Commissioner Holcomb stated no, I understand, executed developer's agreement.

Mr. Preston continued, but anything that has been executed and agreed to is yesterday, and yesterday's gone.

Commissioner Holcomb stated right, so he has two developer's..., you've got two agreements right that we've agreed to and we've executed.

Mr. Wainscott stated Florida Days, phase 1 is already built out.

(6-a) Revisions to Potable Water, Wastewater and Reclaimed Water Capacity Fees and Establishment of Irrigation Water Capacity Fees (U.C. Resolution No. 1-17) (cont.):

Mr. Hickson stated and this isn't just me, I mean you know it will apply to anybody.

Commissioner Holcomb stated well, anybody, I'm just using you as the example.

Mr. Hickson stated I mean I just know that there's a life span to those agreements and whether the economy's good or bad, you know you may build it out within that agreement timeline or not. I don't know if that, I don't think that next agreement is necessarily in perpetuity so I, I could just see us coming here, you know paying for an irrigation meter six months from now. Oh no, we've got this new capacity fee, well, I...

Mr. Preston stated I will address that.

Mr. Hickson continued, I just don't see anything that specifically says executed development agreements do not apply.

Mr. Preston reiterated I will address that, because if that occasion should arise, and your developer's agreement should expire, you no longer have an agreement. And so therefore you would submit for a new developer's agreement. At that time, following, assuming there's passage of this, at that time there would be such a charge, capacity fee charge.

Commissioner Holcomb stated when does the developer's agreement expire, I mean, is there a time frame on them.

Mr. Wainscott stated we have four year agreements.

Commissioner Holcomb stated okay.

Mr. Wainscott stated but Mr. Hickson has already satisfied Florida Days, Phase 2, contractual agreement as in he's built the infrastructure and we've accepted it. So he's got however many lots in there that are safe and secure from paying this fee.

Commissioner Holcomb stated from, from four years from the time from the agreement or from...

Mr. Wainscott stated yes, if he had 20 lots in phase 2 but he only built 2 or 10 in a four year time period, we would make him do another developer's agreement for the other 10 lots. Because the developer's agreement is...

Commissioner Holcomb interjected he's got 48 months to execute the developer's agreement for his area. At that, at that point, at that time in four years it expires and he would be required to come back and get a new developer's agreement?

(6-a) Revisions to Potable Water, Wastewater and Reclaimed Water Capacity Fees and Establishment of Irrigation Water Capacity Fees (U.C. Resolution No. 1-17) (cont.):

Mr. Wainscott stated only if he didn't satisfy the terms of that agreement in which case he's already done so by building the infrastructure and dedicating it to the Commission.

Commissioner Holcomb stated I got you, okay, so, it's, it's not about how many houses he built, it's the infrastructure in place.

Mr. Wainscott stated he built the sanitary system, he built the water system, he built the lift station, if I'm not mistaken. And we've accepted that under, after inspections.

Commissioner Holcomb then stated to Mr. Hickson, so are you comfortable with that explanation. I mean I know you're not comfortable with the fee, are you comfortable with the explanation.

Mr. Hickson stated yes.

Commissioner Holcomb stated okay, just like I said, I wanted to make sure that that's where we're at. I mean I think there's some other questions as far as the, you know, eventually the areas that we don't have the recycled water. I made the comment in the last that essentially they were getting this for, they weren't paying for, in other cities and municipalities they are paying for it. It's stackable, I think we talked about it last time, it's a very small percentage. What percentage of our area does not have access to recyclable water, reclaimed or whatever.

Mr. Wainscott stated let me see if I can answer that question with a statement, we have 25,000 water meters, we have 1,500 irrigation meters (potable water), and the maximum applications we get every month is two. So we're not talking about a big part of our system, we're talking about a very small part of our system.

Commissioner Holcomb stated right, I thought you, that's what I thought, you said that last time, yes, so that was, right, so.

Mr. Wainscott then stated is it 1,500 or 1,700, stated 1,500, then it's 1,700 reclaimed meters.

Chairman Biedenbach then asked Mr. Rechichar, is that explanation, are you clear on that.

Mr. Rechichar stated yes.

Chairman Biedenbach stated okay. Commented he was looking back to find where I am, and then stated I need a motion to pass this.

Commissioner Holcomb stated I'll make a motion to pass it; specifically, a motion to approve the Resolution attached to the agenda item for the purpose of revising the potable water, wastewater, and reclaimed water capacity fees and establishing irrigation water capacity fees

(6-a) Revisions to Potable Water, Wastewater and Reclaimed Water Capacity Fees and Establishment of Irrigation Water Capacity Fees (U.C. Resolution No. 1-17) (cont.):

as submitted. Upon approval the resolution will be numbered 1-17 and will become effective May 1, 2017.

Chairman Biedenbach stated okay, I need a second.

Commissioner Griffith stated second.

Chairman Biedenbach asked if there was any discussion, and then asked Commissioner Davenport if he was satisfied with what he heard as far as the legal part of it.

Commissioner Davenport stated yes.

Chairman Biedenbach then stated do you have any other questions before we vote?

Commissioner Davenport stated no.

Chairman Biedenbach stated okay, Commissioner Griffith?

Commissioner Griffith stated no, I'm good, yes.

Commissioner Holcomb stated yes, I'm good.

Chairman Biedenbach stated Mrs. Simmons, will you please call the roll.

Mrs. Simmons stated the Resolution number being approved, No. 1-17, for the record and then Commissioner Holcomb's previous motion and the stated associated resolution passed unanimously on a roll call vote.

Chairman Biedenbach stated okay, it passes.

(7) New Business

Chairman Biedenbach then stated any new business, do we have anything Mr. Mitchum that we're going to put under there, it seems it's a blank.

Mr. Mitchum stated no sir, no new business.

(8) Possible Other Business – Time for Commissioners:

(8-a) Potential Rescheduling of Joint Meeting Between the City Commission and Utilities Commission – Chairman Biedenbach:

Chairman Biedenbach stated all right, we're trying to get a meeting together with the City.

(8-a) Potential Rescheduling of Joint Meeting Between the City Commission and Utilities Commission – Chairman Biedenbach (cont.):

Apparently it looks like 2-2-17 and 2-9-17 at 5:00 p.m., seems to be a consensus, is everybody here on board with that?

Commissioner Griffith stated yes sir.

Commissioner Holcomb stated hey, give me that date again, February what.

Chairman Biedenbach stated February 2 and February 9, at 5:00 p.m.

Commissioner Holcomb stated yes, either, either one's fine. Is it two meetings or is it...

Chairman Biedenbach stated well no, these are the two that we're trying, we're going to go over with.

Commissioner Holcomb then reiterated I'm good with either one, so.

Chairman Biedenbach stated Commissioner Davenport?

Commissioner Davenport stated I'll need to look at my schedule.

Chairman Biedenbach stated okay, can you...

Commissioner Davenport stated let me look at it, give me a couple of minutes.

Chairman Biedenbach stated okay, we can, we can go on and do other stuff while you're looking at that, that's no big deal. This is going to be a meeting, we're going to try to have a joint meeting with the City. Until Mr. Davenport gets straightened out there, okay...

Commissioner Holcomb stated can we, can we talk about the agenda items on that meeting? Let's, let's at least establish what we're going to talk about. Here's what I don't want have happen, I don't want to have an agenda where we walk in, I want to have...

Chairman Biedenbach stated what we're going to do.

Commissioner Holcomb continued, right, so obviously the interlocal agreements we've talked about, we've discussed and we'll talk about later, because I want to discuss it as far as creating policy to allow us the ability when needed to work with the City to create or deal with obstacles. There's a lot of benefits that the City has that we don't have, I think there's, it's under the understanding that the, there's a lot of municipalities that have their own water and sewer so they have the ability to go deal with their stormwater issues, go deal with their grant money, and the community benefits. Because we're separate, we really have to align our resources where the City has the ability to assess, we have the ability to, I mean we're in the water and sewer business that, that to look at this and have the ability. Again from my

(8-a) Potential Rescheduling of Joint Meeting Between the City Commission and Utilities Commission – Chairman Biedenbach (cont.):

perspective is if we're, if it doesn't, we should never provide free service and I don't ever intend to do that, but what I'm trying to do is create a product that allows us, when it's mutually beneficial, that allows us to grow as a Utilities Commission. We could, we could put, we grow an area, develop an area that generates revenue and generates the growth for the company. So, but doesn't behold us to because they request it, we're obligated to do it. We still have the ability to say yes and no on each individual process but I don't like the way we're going around it with the financial aspect, an investment we call it, a re-investment. I talked to Mr. Mitchum, I think one of the things that made sense to me was that, he's right, we do provide the City with our CIP projects every year, I think that doesn't, that needs to become less of a presentation and more of a discussion and the City needs to be more proactive with looking at what our CIP projects are and align, allowing if they're looking to do things to apply for grants, do stuff in the City that they want to do that they align more to our CIP than us aligning to their agenda. Now that doesn't mean that every time there's always unique circumstances and they want the ability but I think we would be more, that would be more the exception of the rule than the rule. I've said in the past, and I think this, the 90..., when we went back and worked with Islesboro, I think it was in May or whenever we had that meeting. We'd been working on it a while, we had a 90 day window for us to make a decision, I think we need to set parameters on how that meeting goes with the CIP, what we're expecting from the City that once we have the CIP. And our CIP's 10 years too Mr. Mitchum?

Mr. Mitchum stated yes, we have ten years.

Commissioner Holcomb stated ten years, so they, they have it right there, they can see what it is, and they have to, have to at that meeting designate, we're going to, we like this, this, this, or whatever it might be. This is our intentions moving forward, because I don't like where we're getting the information where the ball's all the way down the road and it's, we're not part of the decision making process. I, I don't like that, I don't like how the last two deals went.

Commissioner Griffith commented exactly.

Commissioner Holcomb continued, I think that you know, when you get ready to go ask for a grant, if you're going to go ask for a grant and you haven't notified us or communicated with us on how we feel prior to getting that grant, I would look that, look at that as an unfavorable movement on the City's part and I would be you know not so inclined to vote for it. Because if you're going to get the grant and you know that you're going to need us then you need to let us know then, not now when you say we've got 10 million, we've got 8 million dollars, what do we have available to us. So I think there's a problem for the community in the sense that most municipalities own their own water and sewer, they have the ability to do whatever they want, when they want, apply for their grants, where we have to work together to... I like the ability that we can assess, we can get our money back. I think we need to look at investment, when we do that, what we, how we look at recovering all of our money. I don't even have a

(8-a) Potential Rescheduling of Joint Meeting Between the City Commission and Utilities Commission – Chairman Biedenbach (cont.):

problem, you know Mr. Mitchum we had the conversation with, you like the idea we're not in the business to put infrastructure in. I don't see why we can't and why we can't make money, and if we can't, if it's, figure out how we can, or if we can outsource or why we can't bid it out or whatever we're doing now, why we can't achieve that in a policy. So, those are the things I'd like to see us figure out in that meeting but I think the City needs to have an understanding of, this is our CIP, if you plan, if the, the first question we're going to ask is if you have applied for a grant and you have not notified us, it's just no.

Commissioner Griffith reiterated no.

Commissioner Holcomb stated because I don't understand how you asked for the grant when you need a partner, a dance partner, but you don't ask the dance partner. I just don't, I don't get that part of it and it's been driving me nuts on both of these deals.

Chairman Biedenbach stated okay.

Commissioner Holcomb stated so, can you help me with that, can we get that on there, it's a lot, it'll take a paragraph.

Chairman Biedenbach stated well, okay, no problem. I attended the City Visioning Meeting before I left for, in December. And four of the things that they told me are coming down the pike that we are going to discuss at that meeting is, after they finish Islesboro, they're going to look at the Historic Westside, from U.S. 1 to Pioneer, Canal Street to Wayne Avenue. They're going to go in there and do the same thing that they did in the Central Beach Project. Now apparently that's going to be somewhere, Mr. Resheidat, 18 to 20 months from now?

Mr. Resheidat stated yes sir.

Chairman Biedenbach stated okay, so somewhere from 18 to 20 months from now they're going to want to do something like the Central Beach Project, and that's one thing that we need to put on to see where our CIP is.

Commissioner Holcomb stated to Mr. Mitchum, has there been any formal discussion to, with you about that 18 to 20 month plan.

Mr. Mitchum stated none.

Chairman Biedenbach stated no, okay...

Commissioner Holcomb simultaneously stated see, see that's, honestly...

Commissioner Griffith simultaneously stated that's an example.

(8-a) Potential Rescheduling of Joint Meeting Between the City Commission and Utilities Commission – Chairman Biedenbach (cont.):

Commissioner Holcomb stated that's exactly my point, our CEO needs to know prior to us knowing. I just, I wouldn't run a business like that, I mean you're just skipping all kinds of steps. So, so that's my heartache with this.

Chairman Biedenbach stated okay, well...

Commissioner Holcomb continued, and I want to establish those parameters so at least they know. This, what our project is, and I get it we had bad relationships, so let's move past that, but, but let's do this. We've got, we have a 10 year plan, we don't have a presentation of the 10 year plan, we have a discussion of the 10 year plan and you guys let us know where you want to piggyback or where we might need to change or we just need to have conversation. Once a year about that, not just a presentation, not just a here you go. But I know you go to the meeting and it's accepted and we kind of move down the road, right?

Chairman Biedenbach stated no, we're going to do it twice a year Commissioner Holcomb.

Commissioner Holcomb stated okay.

Chairman Biedenbach stated we're going to have a meeting twice a year with the City and get this kind of stuff...

Commissioner Holcomb stated no, I want, I want to solve the problems but I just want...

Chairman Biedenbach stated that's what I mean.

Commissioner Holcomb continued, I just want a little bit of order.

Mr. Resheidat stated if I may Commissioner.

Chairman Biedenbach stated go ahead Mr. Resheidat.

Mr. Resheidat stated this project that he just talked about and the other one, I mean it's not even in the planning stage at this point. This is something we would put on the table because it's a long range project, it's not going to happen in a year or two. We're talking about the Historic West Side overall, not just like what we've done in Islesboro in terms of stormwater. We have water, sewer, we have a, a large area that does not have sewer, it has septic tank. So, so that's a long range plan, we don't even, got to the planning stage. That's why when he asked, this is something that we're looking for...

Commissioner Holcomb stated no, I, I...

Mr. Resheidat continued, like your 10 year plan that you're talking about.

(8-a) Potential Rescheduling of Joint Meeting Between the City Commission and Utilities Commission – Chairman Biedenbach (cont.):

Commissioner Holcomb stated right.

Mr. Resheidat stated that's, that's (inaudible).

Commissioner Holcomb stated simultaneously, and I agree with that but here's, here's, to a point, you shouldn't, we shouldn't be having this. You shouldn't be asking me whether we have it or not, you should know that it's on, like in your CIP, and that we, because you guys, it's on your drawing board, if you want us as a dance partner, at least let us, this is what we're looking at now, that's all I want. I want that first bit of communication to come when you guys decide this is a priority for us, early notification I think is...

Mr. Resheidat stated which it will be, we haven't even gone (inaudible), we haven't even gone to the planning stage. This is something that it's a future project that we would like to do. I mean it's a long range project, it's not a...

Commissioner Holcomb stated I understand that but here's what happens, we take that nice gesture and that statement you just did and all of a sudden in a year from now we're like we've got three months to negotiate (inaudible). And I know, Mr. Resheidat I know that things move fast and I know that things can't be planned, but that's where we end up. At least we have an idea.

Mr. Resheidat stated I want to just, because you mentioned that and I just want to clarify. The, the grant you talk about in Islesboro the reason we got the grant is because they said if you add this, you will get it, it's not like we were asking for it.

Commissioner Holcomb stated I know that.

Mr. Resheidat continued, so that's what happened there.

Commissioner Holcomb stated no, well hang on a second here, you got turned down for the grant, and they said this is why you got turned down, then you went back for the grant noting, notifying that this is what it was going to be and then you were going to need us to be partner. We didn't come to be a partner until, there was quite a window there before we became a partner. As soon as you knew that we needed to be a partner is when I want to be notified, that's all I'm asking. Just give us more time, that's all I'm looking for. Was there, is there definitely a time frame before the time when you were going to re-approach for the grant and the time that we were asked to come be a partner, absolutely. You didn't go, you didn't come back and go back the next week and ask for the grant and you'd resubmit. What was the time frame from when you got turned down to when you went back and got it?

Mr. Resheidat stated it was, it wasn't that long because they didn't inform us that we were denied until later on, so it took...

(8-a) Potential Rescheduling of Joint Meeting Between the City Commission and Utilities Commission – Chairman Biedenbach (cont.):

Commissioner Holcomb continued, how, how long did you resubmit though?

Chairman Biedenbach stated well...

Mr. Resheidat stated it was a very short time.

Chairman Biedenbach stated all right, let's...

Mr. Resheidat added very short.

Chairman Biedenbach continued, Commissioner Holcomb it's on the...

Commissioner Holcomb stated right.

Chairman Biedenbach continued, we're going to get this handled.

Commissioner Holcomb stated fair enough.

Mr. Resheidat stated we're going to the next step.

Chairman Biedenbach stated okay, Mr. Resheidat.

Mr. Resheidat stated yes sir.

Chairman Biedenbach stated maybe I'm speaking out of turn here, Mrs. Simmons, but do we notify them that, wait a minute, Commissioner Davenport are 2 and 9 okay with you.

Commissioner Davenport stated 2-9, February 9th is good.

Chairman Biedenbach stated the 9th is good, not the 2nd.

Commissioner Davenport stated right, and the 2nd is not.

Chairman Biedenbach stated okay, so it comes down to the 9th of February at 5:00 p.m. Mr. Resheidat... Can I ask him to carry that back to the City and see if we can get put something together?

Mr. Resheidat stated I will get back with you tomorrow.

Chairman Biedenbach stated and if not would you give us a date that you people are available and we'll see what we can do.

Mr. Resheidat stated hopefully we will accommodate the 9th since everybody is available.

(8-a) Potential Rescheduling of Joint Meeting Between the City Commission and Utilities Commission – Chairman Biedenbach (cont.):

Chairman Biedenbach stated okay, all right, Commissioner Holcomb what else do you want to get on the, an agenda.

Commissioner Holcomb stated well I mean the CIP is a big one, I, I mean I think that's really, you know, anything else that we need to work. I think that's a big one, I think that's, it's going to take, you know. Because if we've got to get our policies straight here and get ourselves the means in which to...

Chairman Biedenbach interjected to be able to do it.

Commissioner Holcomb continued, to do it, and like I said I'd like us to discuss whether or not, you know why we wouldn't want, why we're so opposed to, to getting out there and building and creating new business. And I'm not like I said not creating any free fees for anybody, but finding a way to, to maybe move and grow a little bit as a business. I just, I don't see any, there's just, I don't see why we don't do that. If there's a way and a means to do it, I don't know why we would be, not, not wanting to do it.

Chairman Biedenbach stated before the 9th, do you want to try to put a workshop together for the five of us?

Commissioner Holcomb stated I'm here, I'm here, so...

Commissioner Griffith stated Chairman Biedenbach.

Chairman Biedenbach stated yes.

Commissioner Griffith stated absolutely if guys can make and Commissioner Britz-Parker can make it. I'm also interested in the other three items, you said there were four issues (inaudible).

Chairman Biedenbach stated well one of them was then the North Beach after that, and then they're looking for what are our plans for the Fleet Maintenance out here, we started to talk about it, and then the power poles along, what's going to happen to the electricity along U.S. 1 in, with what Tony Otte's (City's CRA/Economic Development Director) trying to do and with the rehab of the U.S. 1 corridor.

Commissioner Griffith stated okay, good, fleet maintenance is referred to the old fleet maintenance issue about sharing facilities and so on.

Chairman Biedenbach stated well the City's looking to expand the boat parking out there and they want us to leave the area. They're not looking for a, to get together, to have a maintenance facility together, they just want us off that property.

(8-a) Potential Rescheduling of Joint Meeting Between the City Commission and Utilities Commission – Chairman Biedenbach (cont.):

Commissioner Griffith stated okay, because I thought we at least agreed that we wouldn't be moving forward with some kind of combined facility.

Chairman Biedenbach stated nope, yes.

Commissioner Griffith stated just in discussion, yes.

Mr. Mitchum stated no, we are looking for another facility, or in the process of developing another facility.

Commissioner Griffith stated their own facility, right.

Mr. Mitchum continued, to vacate that one that's out there on Swoope.

Commissioner Holcomb stated but we're still on course to be out of there in June or July when we were supposed to be out of there right.

Mr. Mitchum stated I can't quite say we're on course yet, and we're the less, the least of the problem right up there right now, they've got the County to deal with on that site which occupies a much larger...

Commissioner Holcomb stated but I think there's, there's two phases, when we vacate...

Mr. Mitchum stated right.

Commissioner Holcomb stated I think they may, they can go do something, and then when the County vacates they can go, there's two, we're a phase and then the County's a phase.

Mr. Mitchum stated we're about vacating, we're about ready to vacate one part of it now, I think, we're close on this demo of the Swoope Plant (generating site).

Commissioner Holcomb stated okay, all right.

Mr. Mitchum continued, that's going to open up, I believe, about 48 spaces for them to, on phase 1 I believe, is what they were looking at. And the next phase I don't know if it will be us or the County, they have to deal with getting the County out of there also.

Commissioner Holcomb stated right.

Mr. Mitchum stated and so at that point the County will have a much large piece of property than what we are.

(8-a) Potential Rescheduling of Joint Meeting Between the City Commission and Utilities Commission – Chairman Biedenbach (cont.):

Chairman Biedenbach stated yes, but that doesn't, that doesn't, the County doesn't have anything to do with us. We need, we need to vacate that property.

Mr. Mitchum stated and we're working on it, yes sir.

Chairman Biedenbach stated okay, all right, let's take two minutes and see if we can put a meeting together for a Workshop here to find out what we want to talk to the City about or can we do it right now.

Commissioner Holcomb stated I'm, I'm not in any hurry.

Chairman Biedenbach stated okay.

Commissioner Griffith stated I'm okay.

Commissioner Holcomb stated sure.

Chairman Biedenbach stated okay, what else do you want to put on the agenda, what do you think we need to put on the agenda, and have we had enough time to think about it.

Commissioner Griffith stated from the U.C.'s perspective.

Chairman Biedenbach stated yes.

Commissioner Griffith stated yes.

Chairman Biedenbach stated Mr. Mitchum do you have anything you want to chime in here.

Mr. Mitchum stated I'm just starting to try and clarify, the four you mentioned was Westside, Beachside...

Commissioner Griffith and Chairman Biedenbach simultaneously stated fleet maintenance.

Chairman Biedenbach stated and what we're going to do with power.

Commissioner Griffith simultaneously stated poles.

Chairman Biedenbach stated are we going to try to put concrete poles along U.S. 1 or are we going to try to bury stuff or...

Mr. Mitchum stated through our storm hardening we are replacing poles along there, not all concrete at this time.

(8-a) Potential Rescheduling of Joint Meeting Between the City Commission and Utilities Commission – Chairman Biedenbach (cont.):

Commissioner Griffith commented yes.

Mr. Mitchum stated we had looked at a possible concrete poles if we rebuilt and brought a huge transmission line down U.S. 1, but as far as replacing what's there and the old stuff that needs to be replaced, we're in the process of doing that now.

Commissioner Holcomb stated do we have clarity on U.S. 1 of what we're actually doing on either side, because if I'm not mistaken I think I've had feedback from people that have told me, dealing with set back lines and easements that we've got, we're unsure of what we're going to do on either side or where we're going to place a line. So I'd like to at least, if, that there is some clarity as to what we're going to do on U.S. 1, if we're going to refurbish or whatever.

Mr. Mitchum stated we are in the process of refurbishing on U.S. 1.

Commissioner Holcomb stated no, no I understand, but, could we, have we established what side of the road we've actually got to go down. I mean if there was, and I don't...

Mr. Mitchum stated well as far as the main power line, it's existing, it would be the east side with two circuits. We cross over on, with most secondary voltage, but in some areas a small area of primary on that side also. So I mean we've got to hit both sides but a majority of the feeds, the two circuits are on the east side of U.S. 1.

Commissioner Holcomb stated and I would also add that one..., and again if we're going to talk about U.S. 1, one of the issues you've got is set backs, built two lines, all the reasons that U.S. 1's in the shape it's in is because it's been over regulated. So, we're part...

Mr. Mitchum commented exactly.

Commissioner Holcomb stated no, absolutely, listen, I'm the guy that's going to lose a million bucks, so I'm all..., I get it, because we've over regulated it. So my question is what are we going to do to understand this situation that they've got because we can't allow for it, and I think we ran into it with Dollar (General), of this 25 ft. easement, there's no way in heck we can get a 25' easement and these people can redevelop coming down these sites. So I think that needs to be discussed...

Commissioner Griffith interjected sure.

Commissioner Holcomb continued, and come up with ulterior solutions on how we're going to fix U.S. 1 with the 25 ft. easements that we're going to, that we're requiring.

Mr. Mitchum stated well I don't see how we could go after 25 ft. on U.S. 1 at all.

(8-a) Potential Rescheduling of Joint Meeting Between the City Commission and Utilities Commission – Chairman Biedenbach (cont.):

Commissioner Holcomb stated right, but, but we, but here's, we need to create, we need to create a new standard maybe or we need to create some flexibility that people understand coming to us that these are your options. I mean because people want to know and it's, as much as we all want to believe we're equipped with information, it's amazing when you ask a question to how many parties that are involved that you probably leave more confused after you're done talking to all of them than you did when you started. So, I, you know it's what are we going to do, is there, you know, what's the minimum we'll work to and what's the maximum and then based on criteria and approvals. You know everybody's going to ask for five feet if they can get it because that's what they want, but dire straight situations this is what will be required to get you in and how do we create a, something that allows U.S. 1, it's problems be solved.

Chairman Biedenbach stated I think, yes, do we want to solve problems or do we want to create problems out there and I think that's what we have to figure out on how to try to solve them instead of adding to or just saying yes, we're going to redevelop and then say okay, gang do what you can do with what we have. I, I think we need to be proactive with the City and say hey. Because I've talked to a couple of contractors or a couple of developers that tell me dealing with this community of New Smyrna Beach, it's easier to pull their hair out than it is to...

Commissioner Holcomb stated well, right, if you (inaudible), like it's, the problem is the easement, no the problem's the build to line, no the problem's the... I mean, it's, it's chaos, so what I would like to do from ours, be proactive to say this is what we'd accept minimum standard, you know our Engineering would obviously have to sign off and this is what we would like, but again, that way people have an understanding and we create that. I, I just to me, that's being proactive to say this is what we have to do. You know, where the CRA district is we relax our...

Chairman Biedenbach interjected criteria.

Commissioner Holcomb reiterated criteria, and that to me is kind of vague, ours is pretty simple, we have a 25 ft. easement, we're trying to establish this is what we can accept if it warrants down to this many feet, we can achieve these things, then we're going to do it. I just, it gives engineers, people spend a lot of money trying to figure out what they can do and we need to kind of give them something that this is, considering we're going to identify this problem. It's identified as a CRA now, actually we create our own blight, so let's be a little proactive and say this, and I, I can't answer that question, we need our engineers to explain it, to understand it to say these were our best scenarios to put out there to work with the community needs in these areas. And I'd like to see us at least try to achieve that.

Chairman Biedenbach stated is that something that we can get to happen, from Engineering because...

(8-a) Potential Rescheduling of Joint Meeting Between the City Commission and Utilities Commission – Chairman Biedenbach (cont.):

Mr. Mitchum stated we can be working on it, U.S. 1's going to take some special attention, obviously.

Chairman Biedenbach stated well, yes.

Mr. Mitchum stated and yes, we need to look at that, I mean you've got zero lot lines in areas.

Commissioner Holcomb stated no, right.

Mr. Mitchum stated it's crazy, so there's a lot of areas there's no possible way that you could have redevelopment if we hold fast to 25 ft. or whatever.

Commissioner Holcomb stated right.

Mr. Mitchum stated there's things that have to be looked at but that is one special area that, like you said right now, blighted is a pretty good word for part of it. But once that gets, you know, moving if it's going to happen, that's going to have to be looked at, so that is part of what we need to work out on...

Commissioner Holcomb stated right.

Mr. Mitchum continued, in a, not an infill but in a retro area, it's like, it's a nightmare trying to go in, like putting reclaimed in a retro area it's not...

Commissioner Holcomb interjected not easy.

Mr. Mitchum continued, not feasible at all.

Commissioner Holcomb stated correct.

Chairman Biedenbach stated because I sat in an Economic Development Meeting the other night and we were discussing U.S. 1 and it runs the whole length of the town and there's going to be some areas... Do we want to be able to go in and us look at the map and say in this area we can do this and this area we can do that or are you more interested in saying these are the parameters that we can deal with?

Commissioner Holcomb stated because, what you're trying to do is you're trying to figure out... I think, I think for us the, what we need to do is find out the least we can live with and we need to put it out there that we're going to be flexible in working with people to solve the problems. I think our engineers are smart enough when they sit down with the people to say this is a, this is a need, that we understand the need and then we can create an exception. I think what you need to do like we have County levels of standards, like this is the minimum we can go, this is the worst we can do, it doesn't mean that we're granting that exception to

(8-a) Potential Rescheduling of Joint Meeting Between the City Commission and Utilities Commission – Chairman Biedenbach (cont.):

every piece of property, but this is the minimum we can work with and this is the maximum we've got. Then, then it's incumbent of them to get with Engineering, figure out what works and what we can make work. Because it's, now they're just trying to say is it a car dealership or a Dunkin Donuts going in there, and the needs are completely different so the space would be completely different so I think those are..., it would be hard, it seems it would be hard to try to figure out who the end user is, then figure out what the heck we need, or is that, am I looking at it wrong.

Chairman Biedenbach stated no, I think you're probably looking at it right.

Mr. Mitchum stated you're looking at it partially right.

Commissioner Holcomb stated I'll take that, a partial compliment.

Mr. Mitchum stated but like you said it's not just, it's just not what's going in there, which does matter.

Commissioner Holcomb stated right, right.

Mr. Mitchum stated it's what we have to build to, to feed that, going forward with future growth and everything.

Commissioner Holcomb stated yes.

Commissioner Griffith simultaneously stated the service.

Mr. Mitchum continued, and regulations change in this too, and how much clearance you have to have between utilities, especially if it's underground. You know you have to have so much clearance between sewer and water and then your pole lines, if it's going underground, conduit, you have to have those, and then you have on top of that gas lines, phone lines, so that 25 ft. is already very crowded.

Commissioner Holcomb stated right.

Mr. Mitchum stated so working with that and issues...

Commissioner Holcomb stated but we have major metropolitans and these cities where there's zero space to work with, and they have all the same things and probably more than we do, servicing more people. There are ways, I mean it's, it's being done and that's what I want us, for us. It's kind of like, Mr. Wainscott I need you to put your private hat back on in the private market when you figure out how to do this and then we'll and you know, because that's all I'm looking for, for us to give, I think there's gotta be, we've got to be creative in a

(8-a) Potential Rescheduling of Joint Meeting Between the City Commission and Utilities Commission – Chairman Biedenbach (cont.):

way to figure out how to get people on line, get their service up and be flexible without taking a huge chunk of the...

Mr. Mitchum stated and that is being worked on and it has to be done, yes.

Commissioner Holcomb stated all right.

Chairman Biedenbach stated can you give us a time frame Mr. Mitchum?

Commissioner Holcomb stated what's that?

Mr. Wainscott interjected I wear two hats all the time.

Commissioner Holcomb stated that's all right, just wear them sideways.

Mr. Mitchum stated we, we're about..., we need to get through these master studies that I mentioned earlier today, to get those to you.

Chairman Biedenbach and Commissioner Holcomb simultaneously stated okay.

Mr. Mitchum continued, and yes, we need to be discussing this, I can't give you a definite time frame, I would say within a couple of months we should be able to you know have something to discuss and put forth.

Commissioner Holcomb stated but at least we can be proactive in the sense when we're communicating with the City about their CRA District and U.S. 1 that we are going to be flexible, we understand the issues.

Mr. Mitchum stated like I said in some areas we're absolutely going to have to be flexible.

Commissioner Holcomb stated I mean, we only have 25 ft. that we...

Mr. Mitchum stated right, I'm going to say that, somebody comes in they've a 50 ft. deep lot, well we can't take 25 ft. of that, can't do anything.

Commissioner Holcomb stated right, right.

Mr. Mitchum continued, obviously, but it has to be, we still have our needs that we have to have there so it has to be looked at. Part of it may be an agreement in the future that okay, if we allow it to be here, and then somebody comes and says oh, we're going to expand our right of way, and all of a sudden something we did 10 years ago we've got to rebuild on ratepayers dollar, we need to have assurance that that's not going to occur.

(8-a) Potential Rescheduling of Joint Meeting Between the City Commission and Utilities Commission – Chairman Biedenbach (cont.):

Commissioner Holcomb stated right, well it's indemnifications in the agreements.

Mr. Mitchum stated right, so that's something I think would have to be coordinated in all of this, along with the City as far as, that's right of ways and everything so, and the development...

Commissioner Holcomb stated and I mean, I think that's a two way street too, like we can't predict the future and I don't think the person that buys the property that's solving their need right now, if they choose to sell it down the road there's obligations that come with their agreements that they've made with us, we shouldn't be obligated to fund their sales, so to say. So I don't have a problem with that but at least we're giving the owner the ability to solve his problem to get their business or whatever they want to put in there in play; so I think that's reasonable.

Chairman Biedenbach stated okay, well what else you got.

Commissioner Holcomb stated Mr. Resheidat, is there anything else that we're not hitting on here that you guys know that you want on there.

Mr. Resheidat addressed the Commission and stated I think the other one as we talked about is the, again it's a long range plan to convert septic systems into sewer, throughout the City. But that's, you know, extending out probably 10, 15 years, but at least something between (inaudible)...

Commissioner Holcomb interjected right, we talked about it, like I said, I go back, I always go back to that \$40 million dollar number that was in Edgewater and I ask the question who was responsible for that. I mean, but I agree with you that we've got to, we've, we can have the conversation I just would want to make myself more..., at least we can start the conversation.

Mr. Resheidat stated you know it would be discussed, you know you could look at maybe grants if they're available but at least have it in a, in a plan format at least, and it's something to talk about. Because there's quite a bit of areas within the City limits that...

Commissioner Holcomb stated right, no, I've got no problem, open dialogue is going to be no problem, so if we want to discuss. I'd like to know what our position is, when we get there if you could send us something what our, because I know when I..., to Mr. Mitchum, when you see septic I see your eyebrows go up and I know how you feel. And I've reached out to a few communities to find out how they're doing it, and it's, you know, it's not, it's much more...

Commissioner Griffith commented it's all over the place.

Commissioner Holcomb stated right, so it's...

(8-a) Potential Rescheduling of Joint Meeting Between the City Commission and Utilities Commission – Chairman Biedenbach (cont.):

Commissioner Griffith reiterated it's all over the place.

Commissioner Holcomb continued, I don't know that there's a set way to...

Mr. Resheidat stated and it's obvious it's not going to be, as I mentioned, it's not going to be a year or two, probably's going to be 10, 20, but at least maybe you could do it in phases and move on because there's quite a bit of septic tanks within the City and I think the goal is going to be to improve water quality and that's a big part of it.

Commissioner Davenport stated didn't we take care of Bethune Beach, how many years ago, they're on the sewer, isn't it?

Chairman Biedenbach stated I wasn't here then.

Mr. Mitchum stated over 20, 25 years ago.

Commissioner Davenport stated yes, Bethune Beach. I just don't get, me, I'm sitting here and I'm going how did we miss Silver Sands when all that happened, just...

Mr. Mitchum commented the citizens fighting back on it...

Commissioner Davenport stated goodness gracious, right down the...

Mr. Mitchum stated the County did that, as I explained before, it was I believe a study done and there was found to be infiltration into the lagoon and that was proven by water quality testing and then they said well then we're getting rid of the sewer (sic septic tanks) in this area. It wasn't the Silver Sands part of it. But they (County of Volusia) then did an assessment, they contracted out, built it, and then turned it over to us and we maintain it and provide the service down there.

Commissioner Davenport stated all right, that explains it. I would sure like to see...

Mr. Mitchum stated and that's the way it's normally done, now as far Silver Sands I'm not sure how many attorneys lived down there when they did it. Then added, I'm just poking at Mr. Preston a little bit.

Commissioner Davenport stated right, well that's, you know that's right on our...

Commissioner Holcomb simultaneously stated every problem we've got is Mr. Preston's. Yes, like I said, might as..., absolutely.

Mr. Resheidat stated but that's, that's I think is from the last one that was (inaudible).

(8-a) Potential Rescheduling of Joint Meeting Between the City Commission and Utilities Commission – Chairman Biedenbach (cont.):

Mr. Mitchum stated and that's what, that's just part, like I said I don't think they were part of the contributing factor down there at that time.

Commissioner Holcomb stated Mr. Mitchum you've mentioned... go ahead, sorry.

Mr. Mitchum continued, no I'm just saying, again it's, when you start talking about well let's get rid of all the septic tanks, you're talking about getting rid of something that is still permitted today. I mean while we're getting rid of them here, we're permitting them over here.

Commissioner Holcomb stated right.

Mr. Mitchum continued, in certain areas, so it's not just something that simple and it needs to be looked at, are we getting rid of them, is there an issue with them, or are there not.

Commissioner Holcomb stated well, I haven't found anything to be simple about it, I, everybody I've contacted there's nobody with any clarity to how they've...

Mr. Mitchum stated it's a very big discussion...

Commissioner Holcomb stated no, it's really hard to get your hands around because every time you think you have a good conversation you go talk to somebody else and they completely, you know...

Mr. Preston commented well just come see me Commissioner Holcomb.

Commissioner Holcomb stated what's that?

Mr. Preston stated just come see me.

Commissioner Holcomb stated right, (inaudible).

Chairman Biedenbach stated okay, all right, we're going to talk about CRA, we're going to talk about U.S. 1...

Commissioner Holcomb stated easement, easement, easement issues; that's where we were going to play ball. They want, they want some kind of beautification, is that what I'm understanding? Is that why the poles and all that stuff is at, is that, is that a request or is that?

Mr. Resheidat stated no, I think it's just, it's just trying to find out exactly what they're, what the U.C. is doing because if you're talking about the main half of U.S. 1, whether it's the (inaudible) development over the, whether, it's the City, but at this point it doesn't generate enough, enough funds for the City to do anything at this point. So basically it's going to be

(8-a) Potential Rescheduling of Joint Meeting Between the City Commission and Utilities Commission – Chairman Biedenbach (cont.):

like what happened at the old Daytona State College where somebody comes in and develops the site. But eventually, you know, we're hoping that we could do something, you know on U.S. 1, from 10th Street all the way to the City limits.

Commissioner Holcomb stated right, so I'm going to ask you a quick one while we're actually talking about it, what, is there, going above with the poles versus underneath, what's the, is there a major expense there, difference.

Mr. Mitchum stated there's a major expense, especially retro-ing anything, you know, in a developed area.

Commissioner Holcomb stated okay.

Mr. Mitchum stated new, you know, is expensive enough to go underground but it's much easier because there's nothing in your way.

Commissioner Holcomb stated right.

Mr. Mitchum stated to go underground with the existing, and I think I gave City Manager Brangaccio these numbers last year some time, but in that area you're probably looking at \$5 million a mile.

Commissioner Holcomb stated really.

Mr. Mitchum stated and don't think about..., to go underground.

Commissioner Griffith stated yes.

Mr. Mitchum stated because you've got (inaudible)...

Commissioner Holcomb simultaneously stated in relationship there, if you put poles and stuff what's the, what's the number.

Mr. Mitchum stated well it's there and existing and maintaining it and changing it. Now if we were to go with an overhead all completely new line there it would be cheaper to do that but you start to, you get more expensive if you go with concrete poles only and then stuff like that. So it's, you would have to look at it.

Commissioner Holcomb stated the reason I say this is like I'm three or four, five years ago with Bill Hall, I said you know when the wind blows, it comes in, I've got poles that are like this. I mean it's wires and poles and you know when you do one it is a mess. Is there ever an opportunity for the business owner to take it underground too, is that...

(8-a) Potential Rescheduling of Joint Meeting Between the City Commission and Utilities Commission – Chairman Biedenbach (cont.):

Mr. Mitchum stated just in, like your little section, like say take the Chrysler dealership up on U.S. 1, from my property line to here I want it underground.

Commissioner Holcomb stated yes, right.

Mr. Mitchum stated that's not feasible to do because then you've got, the cost of it to take it underground from overhead and then come back up again, it's ridiculous.

Commissioner Holcomb stated all right, fair enough.

Mr. Mitchum continued, there's some areas where that is required, almost have to do it because you don't have the limits to do the overhead and it may require going underground. I'm just giving examples, not that one, particular one. But an example of a, switches for overhead that could feed a three phase circuit, those three switches cost you about \$100 apiece. A pad-mounted underground switchgear, to control it the same way, is about \$25,000.

Commissioner Holcomb stated wow, that's a big number.

Mr. Mitchum stated yes, going underground is very expensive.

Commissioner Holcomb stated okay.

Chairman Biedenbach stated all right, so we've got U.S. 1, CRA, easements, we've got these four things that we're talking about, what else we want to talk about with them.

Commissioner Holcomb stated I think that's, that's, I mean there's enough there that...

Commissioner Griffith stated good start.

Mr. Mitchum stated what kind of meeting do you want?

Chairman Biedenbach stated could take up for the night.

Commissioner Davenport stated yes, it's going to be...

Commissioner Holcomb stated right, right, that first one is going to be an hour and a half, then, then, right and then we'll, the rest of them will you know.

Chairman Biedenbach stated all right, Commissioner Griffith do you have anything that we missed.

Commissioner Griffith stated Mr. Chairman just to try to summarize real quickly here going forward, if we all are feeling good about the discussion here tonight, can we pull an agenda

(8-a) Potential Rescheduling of Joint Meeting Between the City Commission and Utilities Commission – Chairman Biedenbach (cont.):

together now and identify all the things we've just talked about, so we'll have it visible, verifiable.

Commissioner Holcomb stated yes.

Commissioner Griffith continued, and that way we'll have a little time to think about it and Mr. Resheidat can you obviously help pull that agenda together from the City's perspective...

Mr. Resheidat stated yes.

Commissioner Griffith continued, so we have the U.C.'s perspective issues, we have the City's, U.C.'s perspective issues and opportunities and so on.

Chairman Biedenbach stated I'll give this stuff to Mrs. Simmons tomorrow and then, then we'll put it on the email out to you so you have it.

Commissioner Griffith stated good.

Chairman Biedenbach continued, and if you want to do anything else.

Commissioner Holcomb stated Mr. Preston legally the, you know the, trying to figure out a tool for us to be able to do what we talked about, I'd like some counsel on that prior to the meeting, is figuring out how to change policy so that we have the ability to, when we choose to, work with the, with the City, not calling it an investment but actually maybe an Interlocal Agreement or whatever we want to call it. We're, we're going to go an Interlocal Agreement with them, they're going to assess, we're comfortable with all the terms, but we have the ability to go work with them. I, I just, it seems like we don't have that ability right now because we had to find a way to do it. I would like to create that path that doesn't make us beholden to them every time they show up and say by the way you've got to do this, we need you. We want the flexibility to make any deal that obviously doesn't provide free service, you know obviously doesn't cost us any money that we can make ourselves whole, and then too, like I said to me at the end I think every one of these projects that we do ends up with bringing more service on line which additionally, you know the way I look at it that's a dividend. So I just would like to see how we could create that, if you could provide us with counsel on how to do that, I'd appreciate that.

Chairman Biedenbach stated we discussed that earlier tonight, not here when I was down, my pre-meeting, and we are going to give that to you.

Commissioner Holcomb stated okay, okay, sure.

Commissioner Griffith stated well good, that would be an output of the meeting...

(8-a) Potential Rescheduling of Joint Meeting Between the City Commission and Utilities Commission – Chairman Biedenbach (cont.):

Chairman Biedenbach stated I had discussed this because I wasn't happy about this last negotiation, what he did with the City.

Commissioner Griffith stated oh.

Chairman Biedenbach continued and I was instructed that there are certain covenants that are in our bond covenants and we have to change policy if we are going to continue to do this and I think now since we're going to have this meeting and we're going to try to do this, to tell, to tell you Mr. Preston that yes, the discussion that you and I had earlier about how we can do this, as Commissioner Holcomb just asked you, if we can have some guidance on what we have to change.

Mr. Preston stated all right, I'm not exactly clear about what it was, but let me try to restate what I think you are stating, so that you are asking for a legal opinion as to how to change policy, the process of changing policy, is that correct?

Commissioner Holcomb stated yes, without, without creating issues with our bond covenants, I mean we, we (inaudible) as much as we want but if we have a financial burden that doesn't allow for it then we have to, we have to be aware of those obstacles, so all...

Mr. Preston stated so, so then and that's where I needed clarity because if you're just talking about a process of changing policy, that's one thing.

Commissioner Holcomb stated right.

Mr. Preston stated if you are talking about a particular policy and the consideration as to whether or not you are strictly governed by that policy and what change if any you can make, then what policy is it that you want me to review and consider for you.

Chairman Biedenbach stated (inaudible), where you're telling us that we do not build as we discussed earlier when I was talking about infrastructure. Or, I'm sorry, not infrastructure, infill, anytime that we're talking about infill versus new construction. And you and I had a discussion about this and you and I did not agree on the definitions of what development means and I said to you I want something so that when we are doing infill that we can get this done. This is not, my opinion, new construction or development, this is infill for mistakes that have been made or things that haven't been done to today's codes that were done 10, 15, 20, 25, 30, some places 40, 50 years ago. How do we correct that?

Mr. Preston stated I...

Chairman Biedenbach continued, and you and I had this discussion and you and I did not agree at that point.

(8-a) Potential Rescheduling of Joint Meeting Between the City Commission and Utilities Commission – Chairman Biedenbach (cont.):

Mr. Preston stated well, my recommendation is number one that this needs to be a Commission action, not any individual's action as far as whatever it is that you all want to do as a Commission.

Commissioner Holcomb stated absolutely.

Mr. Preston stated number one, number two my recommendation is discuss among you what is it that you are seeking...

Commissioner Holcomb stated well, right, and I think that comes from where do you have, let's go back and look at the two deals that we just entered into, where did you, where is the heartburn created and that's what we need to remove. Is we need to have the, we need to have the ability, if they come to us and say we want to do x, y, and z projects, we just said we're going to talk about a 10 year CIP, this could come up again. And I've said openly here that I'm not real happy with our first two deals but we had to get something going. I want to see us have the ability to create infrastructure, it's going to create revenue to grow the company but not expose us to paying for it. I don't, I don't think for any, and I agree with you 100%, we should never be obligated to pay for anything and provide anybody free service; 100% agree with that. So I want to be able to protect ourselves from the investment side, the City has the ability to assess, so if we, and I'm going to use an area, let's just say U.S. 1 they decided there was \$10 million worth of grant money and they came to us and said you guys can do this, this, and this. And we looked at it and said that makes a lot of sense, we're going to, we can put, there's going to be, you know it's a viable area. To your point earlier we said this could be out in the middle of Timbuktu, we're not going to run lines out there, doesn't make sense, we would say no to that. But if it's in a highly populated area, dense area that we know is going to be built on, then we want to be able to somewhat, I'll use Walmart, where Walmart had to run the water line all the way down from the one side to the other. I don't want to put us in that position and if we have the ability to activate an area, to create a lot of revenue or generate a lot of revenue or growth, then I want to have the ability to do it. If it's an area that doesn't make sense then we'll say no, I mean I've got no, but I want to have the ability to say yes and no, we don't have that right now.

Mr. Preston stated well, in my opinion the agreement that we have with Islesboro is a fine, a good agreement within our parameters. It may not, you know, I may not agree with the decision regarding the use of monies that have been focused as far as our CIP is concerned and the veracity of that, but it's within our parameters, your parameters.

Commissioner Holcomb stated right.

Mr. Preston stated we had the bond counsel render an opinion on the S.R. 44 Project regarding the use of funds and the limitations of those funds and much of the information that was provided you then helped define what the policy limits are. Which you took and with the

(8-a) Potential Rescheduling of Joint Meeting Between the City Commission and Utilities Commission – Chairman Biedenbach (cont.):

Islesboro Project applied, so that the Islesboro Project, regardless of my opinion as to the use of monies, fits. And so there is no need to make change in that regard.

Commissioner Holcomb stated so, so, and again I'm going back to our conversation Mr. Mitchum, you made the point to me that we don't do, we're not in the construction business because we can't do a, I don't know why, we couldn't do it because we can't compete with local builders or developers or whatever, we're taking money out of their pocket or that point. Why not, if we, if there's infrastructure to be put in and we can turn it into a profit center, and we can make money on it, why do we not.

Mr. Preston stated well we're precluded by law in doing that, it's competition.

Commissioner Holcomb stated okay, but, but, go ahead.

Chairman Biedenbach stated which law are we precluded by.

Mr. Preston stated the law that was enacted by the legislature and I do not have the site or the quote for the particular verse but I can tell you it is contrary to law to compete with our private contractors.

Commissioner Holcomb stated fair enough, but we can outsource it.

Chairman Biedenbach stated to compete with them, but not to put it in.

Mr. Mitchum stated that's still competing with them.

Mr. Preston stated that is competing.

Commissioner Griffith stated that is competing.

Chairman Biedenbach stated that's not the way I read that law Mr. Preston, and I didn't bring that copy with me today.

Commissioner Holcomb stated let me ask you a question, Kyle (Fegley – City Engineer) would you, this is what I got from the last couple, I think you guys would rather, because I've seen you going okay, if I'm going to borrow, your projects on your stormwater's \$13 million right, you're going to borrow \$10 million, is that the number; somewhere like, some close.

Mr. Resheidat stated we're probably going to borrow \$5 or \$6.

Commissioner Holcomb stated \$5 or \$6 million. If I can borrow, if I'm the government and I can borrow \$5 or \$6 million, I can borrow \$7. Once you're good for \$5 or \$6, you can

(8-a) Potential Rescheduling of Joint Meeting Between the City Commission and Utilities Commission – Chairman Biedenbach (cont.):

borrow \$7. My question is do you need our money or do you need us to work with you? Because I'm, that's the part I kind of don't understand.

Mr. Resheidat stated I think it's both, I think it's both. And I just want to say one thing, you're not competing with the contractors because you can have the contractors to do it right now when the Utilities have a project. They don't do everything in house, they hire a contractor to do it.

Commissioner Holcomb stated and why couldn't we fee that?

Mr. Resheidat stated so (inaudible)...

Commissioner Holcomb continued, but why couldn't we service fee that.

Mr. Resheidat stated you're hiring the contract to do it for you.

Commissioner Holcomb stated I, I just, I'm look, I guess if we could ever figure out a way to maybe turn it into a profit center, and I understand what you're saying on the reasoning why we don't right now, but have we looked at, is if we put it out to bid and it was created and we could collect a fee off of it, but we put it out to bid and I don't know.

Mr. Resheidat stated see the difference between your ideal situation, where you have a new subdivision. You have a new subdivision, for example like in Venetian Bay, so you go in and the developers will put in you infrastructure, he puts everything in and then he turns it over to the City and the Utilities. That's your ideal, normal situation. But what happens when you have infill, like what happened in Islesboro right now.

Commissioner Holcomb stated right.

Mr. Resheidat stated well there's no developer, so what happens is you put it in and then you have the assessment, I mean you are guaranteeing your money back. And you can have a contractor to do it so there's no competing with anybody, so that's, that's, just...

Commissioner Holcomb stated no, I, I understand that but the level of why, we charge fees for everything and rates for everything, I mean is there a reason why we can't fee that too. I mean, I just, that's what I don't understand, this, how does that not. And I don't have the answer Mr. Preston, what I'm looking for is the means to do it, and like to not cost us money doing it and then, like I said every time we develop an area or do something we receive our money back and we're made whole. And then we have more businesses or services that are tied to our product that are spending money each month, that's a good thing for us. I don't want to develop the community of New Smyrna Beach, I sure don't want to do that. And I agree that the developer needs to develop and they need to do their thing and pay for it just like everybody else has. It's the unique situations that we get into and I think alignment of the

(8-a) Potential Rescheduling of Joint Meeting Between the City Commission and Utilities Commission – Chairman Biedenbach (cont.):

CIP will help, I just want something that allows us to do that. And I like I said I, you know City Manager Brangaccio and I had the conversation in that meeting, it, I still don't know how you qualify, especially if you're the government, you don't qualify, Wells Fargo will give you \$6 million, but they won't give your \$7. I don't know why the \$850,000 was that big of a deal. I'm just questioning from the financial perspective because we're not going to have millions of dollars every year just to start pumping into these infrastructure programs, sooner or later you're just going to run out. We need to take care of some stuff around here too.

Commissioner Griffith stated yes.

Commissioner Holcomb stated we could better spend our money fixing up our place.

Commissioner Griffith stated yes, exactly, we've got to stay in our lanes.

Commissioner Holcomb stated yes, exactly, and put it in our, because like you said, so I want to make sure, but I still want to have the ability to work with you. I mean if you, if you ask if I had a dollar to spend with you or what we have here, I would go spend a million bucks or a couple of million bucks refreshing our fleet of light duty cars that are eleven years old, that we've put two cars in this year or a building that looks like it was made in, I mean it's, it's like the 50's when you walk in here. So, you know there's a lot of things that we need to talk about, what I'd like to spend our money on, but I still want to have the ability when it makes sense, and we need to do these things, with proper alignment and planning to our CIP program, it all makes sense. I just, we try to look at why we can't do things versus can we do things, and I just want to start looking at can we do things and that's what I'm hoping for, so that's what the meeting is.

Chairman Biedenbach stated all right, anything else, Commissioner Davenport.

Commissioner Davenport stated no.

Commissioner Griffith stated no sir.

(8-b) Discussion Request RE: Search for Successor – Commissioner Holcomb:

Chairman Biedenbach stated okay, now, we still have to talk about trying to find and how we're going to go for Mr. Mitchum's successor in 22 months or 23 months from now and Commissioner Holcomb since you haven't had much to say tonight.

Commissioner Holcomb stated right.

Chairman Biedenbach continued, why don't you take over since you're on the agenda.

(8-b) Discussion Request RE: Search for Successor – Commissioner Holcomb (cont.):

Commissioner Holcomb stated right, so, and I've been talking to Mr. Mitchum about his replacement. The, one of the things I'm going to request and we've talked about it and I would hope that the Commissioners would do the same, is I'm going to request that Mr. Mitchum set aside an hour for me each month where I can come into his office. Preferably it would be nice around the agenda, maybe, it can be after the agenda but preferably before the agenda, so somewhere, a Friday before or Thursday. Maybe we can get that agenda, you know, an idea of what the agenda's going to be Wednesday, but between Wednesday and Friday the week before the meeting, sit down, spend an hour with him. It can be via the phone or we'll come to your office, it doesn't matter, probably going to do it face to face. But I also want to figure out, I want to learn more, obviously before we get to the 18 months that we declared back last year of understanding what our needs are, what my concerns are, I guess not everything needs to be said here at the dais. So I want to make sure that we have open lines of communication but I want to see what our issues and problems are moving forward and things that hopefully we can make better. So, Mr. Mitchum has already told me I could have the hour so I would tell you all the same thing, I think you have your pre-meeting, Chairman Biedenbach, but I'm going to request...

Chairman Biedenbach stated the problem, the problem's going to be Commissioner Holcomb, is all five of us want to have each an hour with him. Do you want to try to have a workshop like that we do on Thursday, with an hour with him? So that we have a workshop here, so that we just say that it's a workshop, the five of us can come or three of us or whatever come that Thursday and say this is, this is the hour we're going to talk to Mr. Mitchum and it's going to be a workshop instead of each one of us calling. I'm just, I'm looking for your time Mr. Mitchum, I mean I'm trying not to load you down with five of us walking into your office and you telling the same thing five times.

Commissioner Holcomb stated well, I don't think we're all have the same questions, and that's...

Chairman Biedenbach stated well...

Commissioner Holcomb continued, I don't, I don't necessarily specifically want to talk, there's a lot of things, I mean we talk, I mean or emails but I, mine are... I have no idea what's going through your head but I, the questions I have are going to be for him, things that I'm going to want to look at as we get ready to hire this new CEO or start to search for this new CEO. So that's why I am going to have, my questions will be probably a lot different than Commissioner Griffith's questions will be and that's why I want to start doing that. So I don't necessarily care, I'd like to do it on the agenda, I think it helps. If you have agenda items that you've already agreed on, and it's the Monday before, we can talk about those, but I, you know, that's not really my biggest concern. And Mr. Mitchum and I talked about this earlier, it was, there's more, it's more not about the agenda than more about the replacement.

Chairman Biedenbach stated my thing is that if, a question you would ask might trigger something with the rest of us, oh yeah, we want to ask that plus. And I like, Bill Biedenbach

(8-b) Discussion Request RE: Search for Successor – Commissioner Holcomb (cont.):

personally, like to have the discussion where all of us are talking to him so that we're, we're hearing everything that's being said because Commissioner Holcomb, with your experience with the number of people that you have and that you hire is different from what Commissioner Davenport does and what I use to do.

Commissioner Holcomb stated but, but what I'm going to tell you is I have a lot more than, than what we, like I mean you guys are already for me to shut up tonight and I've two more hours of conversation that he and I can have. So, that's great, I, I'm, you guys do what you want, all's I've asked is Mr. Mitchum I need an hour of your time, you said yes.

Mr. Mitchum stated right.

Commissioner Holcomb stated I'm still going to talk up here but (inaudible).

Chairman Biedenbach stated no, I'm, I'm just saying would it be beneficial to the five of us to try an open meeting that's a workshop and just...

Commissioner Holcomb stated between tonight?

Chairman Biedenbach stated no, no.

Commissioner Holcomb stated no, I know but between tonight, the February 2nd, 3rd, or 9th, we couldn't get all five of us here, so what are we going to try to do that for. We've got 12 meetings a year and we don't even achieve that so...

Mr. Mitchum stated I told Commissioner Holcomb that I don't have an issue with that, and my door's open. Obviously I don't expect all five of you that want to do it every month.

Commissioner Holcomb stated right.

Mr. Mitchum stated but there may be something that pops up, I don't have an issue with that. Like I said, it's open door, we could set it up.

Chairman Biedenbach reiterated I was trying to save some of your time Mr. Mitchum.

Mr. Mitchum stated and I appreciate that, and I appreciate it. If it gets too heavy I might come back and say how about that workshop you're talking about.

Chairman Biedenbach stated all right.

Commissioner Holcomb stated all right, and then commented I'll vote that down.

Chairman Biedenbach stated Commissioner Davenport.

(8-b) Discussion Request RE: Search for Successor – Commissioner Holcomb (cont.):

Commissioner Davenport stated I was thinking about a bi-monthly, about two hours every two weeks.

Commissioner Holcomb (inaudible), like I said and it might be a ½ hour, might be an hour, I’m just, and you can tune that up as the month goes on.

Chairman Biedenbach stated all right.

Commissioner Holcomb stated all right.

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

Chairman Biedenbach then stated Commissioner Davenport do you have anything for the good of the organization.

Commissioner Davenport indicated no.

Chairman Biedenbach then asked Commissioner Holcomb if he wanted to say anything else.

Commissioner Holcomb stated I’m good.

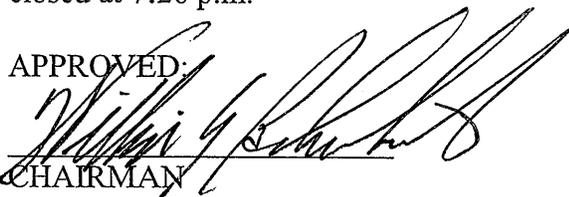
Chairman Biedenbach then asked Commissioner Griffith.

Commissioner Griffith stated I’m good.

Chairman Biedenbach stated I’m good tonight, that’s it, we’ve had enough fun for tonight, and then adjourned the meeting.

There being no further business to come before the Commission, the Regular U.C. Meeting closed at 7:26 p.m.

APPROVED:


CHAIRMAN

ATTEST:


ASST. SECRETARY-TREASURER

These minutes were formally approved by the Utilities Commission at their February 27, 2017 meeting.