

MINUTES OF A SPECIAL MEETING OF THE UTILITIES COMMISSION, CITY OF  
NEW SMYRNA BEACH, FLORIDA, HELD MONDAY, JANUARY 9, 2017, AT 5:00  
P.M., AT 200 CANAL STREET, NEW SMYRNA BEACH, FLORIDA

Chairman Biedenbach opened the Special Meeting and led the pledge of allegiance.  
Mr. Preston, as requested by the Chairman, provided the invocation.

Chairman Biedenbach then requested roll call to be taken by Mrs. Simmons. All of the U.C.  
Commissioners were in attendance as follows:

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

Others in attendance were as follows: R. Mitchum, General Manager/ CEO; W. Preston, U.C.  
Legal Counsel; D. Simmons, Exec. Services Mgr./Recording Secretary; City Manager Pam  
Brangaccio, Asst. City Manager Khalid Resheidat; Amye King, City Planning and Zoning  
Director, and Mr. Walter Allen, a member of the public.

Chairman Biedenbach requested and confirmed the agenda for this meeting.

Declaration of Ex Parte Communications:

Commissioner Holcomb stated I do want to declare, because it is an agenda item, that I did  
meet with the City.

Chairman Biedenbach stated okay.

Commissioner Holcomb stated so, I do want to at least acknowledge. Before, when was it, I  
think before Christmas, I met with Mr. Resheidat, Mrs. Brangaccio, and Mr. Gummey about  
this agreement, discussed it, my thoughts, their thoughts. So I just want to make, declare with  
everybody I did have a conversation with the three of them, prior. It is an agenda item, that's  
why I want to declare it, so, all right.

Commissioner Griffith stated and Mr. Chairman I do the same, met on the 23<sup>rd</sup> I believe, with  
Mr. Resheidat, Mrs. Brangaccio, and Mr. Gummey.

Commissioner Britz-Parker stated and I did the same on January 3<sup>rd</sup>, with the addition of  
Althea Philord (City Finance Director), was there also.

Commissioner Davenport stated I did not do the same, I was a good boy, I think, or wasn't.

Declaration of Ex Parte Communications (cont.):

Chairman Biedenbach then stated you're the only one Commissioner Davenport, because I met with Mr. Resheidat and Mr. Gummey the day before I left for Pittsburgh which was somewhere 8, 9, 10 of December, on the same subject.

(1) Motion by U.C. Commissioners at 12-19-16 Regular U.C. Meeting, under Agenda Item 2-a.\* - Stated Deadline of 1-5-17 Not Reached:

Chairman Biedenbach then stated okay, motion by U.C. Commissioners, Regular Meeting, Agenda stated deadline of the 5<sup>th</sup>. Did we reach an agreement on the 5<sup>th</sup>?

Mr. Mitchum stated no, we did not.

Mr. Preston also stated no, we did not, and because the motion was made formally to meet with a Special Meeting, hence we are here today. But there is no agreement that has been reached to this point, there has been a good, productive discussion and negotiations. The most recent agreement that I've seen was sent by me to Mr. Gummey on Thursday of last week, I'm fairly sure of the day, for his review and discussion. Now I have not had, but have heard that an agreement was forwarded to Mr. Mitchum this afternoon that I cannot comment on at this point because I haven't had time to review it, in particular the terms. So I will leave it at that because I, I don't know if it's an agreement that is acceptable to be presented to you for your consideration or not at this time.

Chairman Biedenbach stated because I was on the phone, and some of the language, or some of the discussion was garbled, I, can somebody quote to me what the motion was, because it was my understanding that if the two sides could not come to an agreement by the 5<sup>th</sup> then we would have this meeting. But that everybody either shook their head or said yes, they thought that we could get an agreement by the 5<sup>th</sup>. So what you're telling me is we do not have an agreement by the 5<sup>th</sup> and that's why we are here tonight.

Mr. Preston stated that is...

Commissioner Holcomb interjected there's one more step in there, the City requested that they wanted to bring it to their agenda, I believe on the 10<sup>th</sup>. We did not have a scheduled meeting prior to that so we were, it didn't sound like we were going to come to an agreement as the dialogue took place. So instead of getting to the 10<sup>th</sup> and not being on the City's agenda, that's where we, I made the motion that we would have a meeting, on the 5<sup>th</sup> if they could not reach an agreement. And if I do understand it's not on the, your..., it's been moved to the 24<sup>th</sup> agenda, so the deadline, that was the deadline, is no longer the deadline. So, here we are.

Chairman Biedenbach stated okay.

Commissioner Holcomb stated I think that's it right?

Mr. Mitchum stated you're correct.

(1) Motion by U.C. Commissioners at 12-19-16 Regular U.C. Meeting, under Agenda Item 2-a.\* - Stated Deadline of 1-5-17 Not Reached (cont.):

Chairman Biedenbach stated Mr. Resheidat, what does this do to your schedule for money getting from the river's committee, or from St. John's? Then stated, I'm sorry and go ahead to City Manager Brangaccio who had approached the podium.

City Manager Brangaccio stated well, what we're trying to do and I think we can, I've sent over changes to Mr. Mitchum about 3:30 p.m. I was up in Philadelphia, and in defense of all of us, everybody was out, it was over the holidays. But we did get a chance to meet, I think it was the 23<sup>rd</sup>, we spent about two, two and half hours, good productive meeting I thought, with your staff. And, as Mr. Preston had promised to do, he sent us over a draft last Thursday. Mr. Gummey has reviewed it, he and I are willing to recommend the agreement with two changes that I wanted to discuss with you tonight. To our Commission, their meeting is the 24<sup>th</sup>, the reason it's not on our agenda tomorrow night is I have two Commissioners out of the country, so I only have three Commissioners, so we have a very, very light agenda; mostly consent agenda tomorrow night. What we're going to do on the 24<sup>th</sup> is an update to the Commission on the Islesboro Project in total, because we'll be going out hopefully for construction bid about that time. We're trying very hard to stay on schedule with the Water Management District. We owe them a quarterly report, we were going to wait until this agreement basically, hopefully, is executed by both parties to do that report. But if you would like Mr. Chairman I can review with you the very simple changes that we sent over today around 3:30 p.m.; very simple.

Chairman Biedenbach stated one minute. Mr. Preston, how long is it going to take you to read this thing and the changes that were made, do you have any idea, have you seen it at all.

Mr. Preston stated I don't believe that it will take long to do so because it looks as though it's the base agreement that I had sent them. I, again, it was, I got it as I walked over here to come to this meeting tonight, and the copy that I have is one that shows my redlines and their blue lines, and how many green lines I don't know. So the changes that were noted, I got a copy of the email that transmitted this agreement to Mr. Mitchum. And the changes, City Manager Brangaccio kindly fully noted where she was making changes. Those changes I have regarded, those changes are I believe the ones that she's referring to as the two simple changes. But to know what the entire contract, if there is change or not, I, I would just need to go through both contracts and make a comparative analysis. The two items that City Manager Brangaccio are referring to, as I believe, are found in a provision of the agreement dealing with the responsibilities for the payment of the, either sides' projects. And one of those changes, and it's found in paragraph 15 if you happen to bring the agreement that I sent to you, but one of those changes I saw doesn't really apply to the sentence for the change itself. Directing to City Manager Brangaccio, he stated I will go ahead and somewhat negotiate more just to clarify for my sake. But in the paragraph 15, the first sentence of that paragraph you made reference to monies that are transferring or moving from the Utilities Commission to the City – the loan. And that sentence actually doesn't deal with the loan, that sentence just says basically it affirms to both parties to the contract, we have enough to pay, we have enough money to pay. Therefore with that affirmation neither party is going to

(1) Motion by U.C. Commissioners at 12-19-16 Regular U.C. Meeting, under Agenda Item 2-a.\* - Stated Deadline of 1-5-17 Not Reached (cont.):

default in payment to the contractor holding up the other party. So it was a bit of..., I think there is confusion when you bring that loan into that sentence. It's just basically affirming both parties warrant that sufficient funds to cover the costs for each will be in an account upon receipt of the lowest bid, because that's when you know how much is yours to account for the project. And then the last sentence, part of that sentence, says "and the funds will be available exclusively for the prompt payment to the contractor"; so that's an item here. So I would say no, not to accept that language that you suggested because it isn't dealing with the \$850,000.

City Manager Brangaccio stated can I tell the Commission what the five words were that we sent over.

Commissioner Britz-Parker stated could I just, I want to offer something.

City Manager Brangaccio stated okay.

Commissioner Britz-Parker stated I spent a lot of time reading the most recent draft you sent us. Could, could we all get a copies of the new one that was just sent by the (City), because you know...

Mr. Preston stated right, well the, the answer's yes, but I just got a copy three minutes ago walking up here.

Commissioner Britz-Parker stated I understand, I understand, but since we're talking about it I'd like for us all to get a copy now. Like since we're having a special meeting, we just..., copies of the contract.

City Manager Brangaccio indicated perhaps Mr. Mitchum or Mrs. Simmons could make copies.

Chairman Biedenbach then asked Mrs. Simmons if she could run copies.

After simultaneous comments, Mr. Preston stated in the interest of time it might just be simpler if we just told you and you could hand write in the words because they're so, there are only a few. Does that work for everyone?

Commissioner Griffith stated sure.

Chairman Biedenbach stated I don't have a copy.

Mr. Preston stated you don't have...

Chairman Biedenbach stated I have zip, I got off 95 less than an hour ago.

(1) Motion by U.C. Commissioners at 12-19-16 Regular U.C. Meeting, under Agenda Item 2-a.\* - Stated Deadline of 1-5-17 Not Reached (cont.):

City Manager Brangaccio then stated here, we have multiple copies that we brought.

Chairman Biedenbach stated thank you.

City Manager Brangaccio stated could, and I...

Mr. Preston simultaneously stated looking to...

City Manager Brangaccio then stated go ahead Mr. Preston.

Mr. Preston reiterated looking..., then no, go ahead.

City Manager Brangaccio then continued by stating could you just cover the five words we want to insert, and can we just get through that because there's really, there's only one policy decision and it was specifically a motion that you all took. So I understand and I agree with Mr. Preston to change that, you have to change that as well. You made a specific motion on the interest for the loan. But the only language that we inserted on 15, where it says instead of...

Chairman Biedenbach wait, please.

City Manager Brangaccio stated okay, I'm sorry, go to section 15...

Chairman Biedenbach then stated okay, I'm with you kid.

City Manager Brangaccio stated this is, I'm confirming that this is Mr. Preston's changes, these are not Mr. Gummey's changes, these are the base agreement that we started with, with Mr. Preston, and then we met with U.C. staff and City staff and Mr. Preston made additional changes, so his changes are in the red. And Mr. Preston, do you have one of the highlighted ones?

Mr. Preston stated now I'm confused, I have one that has your blue insertions.

City Manager Brangaccio stated my blue, my blue is my only, my changes, the red were changes that came back over from you on Thursday on the original agreement.

Mr. Preston stated I do, I do now have that.

City Manager Brangaccio stated blue is my only changes.

Mr. Preston stated right, the other changes I think are all agreed upon, it's just the blue which is being discussed now which is...

(1) Motion by U.C. Commissioners at 12-19-16 Regular U.C. Meeting, under Agenda Item 2-a.\* - Stated Deadline of 1-5-17 Not Reached (cont.):

City Manager Brangaccio interjected exactly.

Mr. Preston continued, which is relatively minor.

City Manager Brangaccio stated exactly.

Mr. Preston continued, minor in terms of amount.

City Manager Brangaccio stated yes, and I understand that the loan amount, the interest rate, is a policy issue for you all but, but 15, the only reason we added on the third line in section 15, and it's underlined, "and transferrable upon the request of the City"...

Mr. Preston stated now this will be inserted on your agreement on the third line following the word available, insert the following words, "and transferrable upon the request of the City". And then the sentence continues with "exclusively for".

City Manager Brangaccio stated and that was strictly, nowhere in the agreement did we really reference where and when the dollars would be transferred. We haven't even bid the project out yet.

Commissioner Holcomb interjected it's like a draw.

City Manager Brangaccio stated exactly, it's just a matter of I would, literally would need...

Commissioner Holcomb interjected you want to call for the funds as you need them.

City Manager Brangaccio stated exactly, that's all it is.

Mr. Preston stated and now, we're getting..., we're crossing hairs here. That's fine to request to draw, but this language in this sentence deals with nothing to do with the loan. If you read the full sentence, "both parties warrant that sufficient funds to cover the cost for each will be encumbered in the account upon receipt of the lowest responsible bid, and such funds shall be available exclusively for prompt payment and cost to contractor", that's simply making a statement that the U.C. will have sufficient monies in an account for its portion of this project. The City will have sufficient amounts for its portion of the project and that confirmation is being made to assure that there will not be a non-payment to the contractor which will hold up the entire project. So its assurances to each, it has nothing to do with the \$850,000. The \$850,000 is dealt with in several places, but the next sentence is one of those. And in that sentence, it says the City will deposit the amount loaned by the UCNSB \$850,000 dollars into this account. Now, they've already made a reference that they're going to have an account and this is where they're going to identify they are depositing into that account to be used for the payment and projects and invoice the City. So that's all I'm saying, is that they're two different...

(1) Motion by U.C. Commissioners at 12-19-16 Regular U.C. Meeting, under Agenda Item 2-a.\* - Stated Deadline of 1-5-17 Not Reached (cont.):

Commissioner Holcomb interjected, what are we trying to prevent? I mean, I just, like I said, again ...

Mr. Preston stated we're not preventing anything, it's a positive statement. It's basically saying to each other, which would be somewhat typical in any contract, I'm setting aside monies for my end of the deal, you're setting aside monies for your end of the deal, and we're going to make the deal work.

Commissioner Holcomb stated okay.

Mr. Preston stated now, let's turn around and say okay, you're loaning me \$850,000 or we're loaning them \$850,000. That's different from I'm going to have my account filled.

Commissioner Griffith simultaneously stated it's different, separate.

Mr. Preston continued, now when we loan them the \$850, we want to make sure that that \$850,000 goes into the account which is used to pay for the extension project. And the reason we necessarily need to do that is that our bond covenants are such that we can't loan monies for a non-related City project. We can't just loan monies for the fun of it. We can't loan monies for the, for the building of an airport, we're precluded by bond. So we want to make sure that we identify we're putting \$850,000 into the account which is to be used to pay for the extension project. Simply, that's it.

Commissioner Davenport stated we've gone back and forth, and Commissioner Britz-Parker I read your e-mail earlier and frustration. But there's got to be, there's got to be trust here and I'm looking at my City, our City Manager, I trust Pam, I trust Khalid, I've known you all forever. I mean, and they're not going to jeopardize us and our bond covenants, you know I just can't even see that happening with the City Commission; I personally. So there's got to be some trust here, we're getting our interest on our money, we've got our agreements and our terms down, correct?

Commissioner Holcomb stated well, yes, what has..., if we're going to provide them the funds, they're going to provide us what they did so that we're going to be able to validate the request based on the work, it's going to be on the scope of work that's been done. Which that we, we could sit there and go, okay, that's our storm water, what, our storm water project, it would specify that, right City Manager Brangaccio? So if you came and said I need, I mean am I understanding that right?

City Manager Brangaccio stated I can't under..., he just said it was minor. I don't understand why anybody would object to the words "and transferrable upon the request of the City". We've agreed to everything else.

Commissioner Holcomb stated right, no, and I get that, but, but you...

(1) Motion by U.C. Commissioners at 12-19-16 Regular U.C. Meeting, under Agenda Item 2-a.\* - Stated Deadline of 1-5-17 Not Reached (cont.):

City Manager Brangaccio stated that's all we're, we're not trying to upset the agreement at this point, all we're trying to say is I don't want to start paying interest on money I am not using.

Commissioner Holcomb stated right, right, so you...

City Manager Brangaccio continued, I don't want the money until I notify Mr. Mitchum formally that I need to take those funds.

Commissioner Holcomb stated but, but...

City Manager Brangaccio continued, and I may draw down only \$450 or \$400.

Commissioner Holcomb stated I'm doing this right now, right, so, so...

City Manager Brangaccio continued, and that's all.

Commissioner Holcomb stated when I, I'm doing an agreement, Ally Bank, and when I go to Ally I say, okay this work is within the scope of the contract and the agreement. They then fund it, they verify that...

Mr. Preston interjected let me suggest a potential change because I believe that it can be done simply by still maintaining what it is that we are trying to do. And so I would take those however many words and transferrable out and then in the second sentence, in dealing with the \$850,000, you could make a statement that the City, upon the City's request, it will deposit the amount... And that simply does what it...

Commissioner Holcomb stated requested for the whatever, yes.

Mr. Preston stated right, so you're going to say in that sentence, you could just say in that sentence "upon the city's request, it will ..."

Commissioner Holcomb stated right.

Mr. Preston continued, that being the first word...

Commissioner Griffith simultaneously stated (inaudible) sufficient funds, as needed, yes, okay.

Mr. Preston stated right.

Commissioner Britz-Parker stated and that's not the same as what they've already asked for? I mean this little change, it seems like we're saying the same thing.

(1) Motion by U.C. Commissioners at 12-19-16 Regular U.C. Meeting, under Agenda Item 2-a.\* - Stated Deadline of 1-5-17 Not Reached (cont.):

Mr. Preston stated well, I don't believe that it does say the same thing. And I believe that we're dealing with it in two different contexts. I think it's simpler and clearer that way and I believe it accomplishes what City Manager Brangaccio is trying to accomplish.

Chairman Biedenbach stated City Manager Brangaccio?

City Manager Brangaccio stated again, do not start the clock of interest on a loan until I ask it...

Commissioner Holcomb stated until you take the money, no, no, as soon as you...

City Manager Brangaccio stated and as long as that's the understanding ...

Commissioner Griffith stated that's fair, sure.

City Manager Brangaccio continued, I know that these minutes are wonderful and very clear, our only intent here is that I do not want your money until I send a formal notice to Mr. Mitchum requesting it, which means all the bids are good, we've got a low bidder, we're going to order a contract, we'll deposit your money then, at that point, into the account. That's all we were trying to say.

Mr. Preston stated why don't..., and that's good, and why don't we even insert something to their point, at which interest accrues, when you make the request?

City Manager Brangaccio stated that's fine.

Mr. Preston stated that simply does what you suggested.

Chairman Biedenbach stated to City Manager Brangaccio are you going to ask for all the money when the contract is let or are you going to ask for funds to cover each stage of the completion of the work?

City Manager Brangaccio stated the way the agreement is written right now is that you'll deposit whatever the amount may be, up to \$850,000, you will transfer that to the City.

Chairman Biedenbach stated the whole amount.

City Manager Brangaccio stated yes, it's confusing and that was one of our points a month ago but I'm willing to concede that and move on because the rest of this \$11 million contract is going to be on monthly draws in terms of the U.C. and the City just like we did Central Beach, but if I need to isolate these dollars, I, we'll concede that and that's what we've done. So we're no longer arguing the point, we're just trying to move on here and as you asked earlier, Mr. Chairman, stay on schedule.

(1) Motion by U.C. Commissioners at 12-19-16 Regular U.C. Meeting, under Agenda Item 2-a.\* - Stated Deadline of 1-5-17 Not Reached (cont.):

Mr. Preston stated so then, to move this forward, and I did not write this down so you may correct me, but instead of the words “and transferrable upon the request of the City”, we will in the beginning of the next sentence, which currently begins with “The CITY”, we will begin that sentence with “Upon the CITY’s request, the CITY will...”, continue with the sentence as is:

{Upon the CITY’s request, the CITY will deposit the amount transferred by the UCNSB (up to \$850,000) into this account to be used for the payment of the invoices to the CITY for their EXTENSION Project portion of the invoices only.}

Mr. Preston stated now, another change that was proposed in this afternoon’s version, which you don’t have on your version...

Commissioner Griffith stated this is issue two, two now, we’re moving on to the second issue.

Mr. Preston stated yes, right, okay. It’s says, it’s the same sentence however.

Commissioner Griffith stated correct.

Mr. Preston stated the word “loaned” was deleted, this is in that same sentence, “CITY will deposit the amount loaned”, that word was deleted and the word “transferred” was inserted.

Commissioner Britz-Parker stated I’m sorry could you repeat that.

Mr. Preston stated the word “loaned” in that same sentence, the CITY will deposit the amount loaned...

Commissioner Holcomb also stated “The CITY will deposit the amount loaned, transferred by the UCNSB”...

Mr. Preston stated that was deleted and the word “transferred” was inserted.

City Manager Brangaccio stated however the word loan remains throughout the agreement, Mr. Gummey only changed that because we were adding the language about the transfer be made upon our request. It’s just being consistent in the sentence is all he was doing there, was not amending the (unintelligible)...

Mr. Preston stated right, so that you could, so then are you satisfied with the fact that “Upon request to the CITY” will satisfy both of those.

City Manager Brangaccio stated I, you know Mr. Preston, I’m not an attorney and if, if, I usually sit next to Mr. Gummey and this would be about the time I would be elbowing him if we were in a meeting. My problem is it still doesn’t specify that the funds are not going to

(1) Motion by U.C. Commissioners at 12-19-16 Regular U.C. Meeting, under Agenda Item 2-a.\* - Stated Deadline of 1-5-17 Not Reached (cont.):

come to me until I request them. And I am concerned about walking away and signing an agreement on January 24<sup>th</sup> and then my bids are high, I rebid, I'm six months down the road, I'm getting an extension from the Water Management District, meanwhile my clock has started on interest to you. I have a problem with that.

Mr. Preston stated and I am more than happy, to...

City Manager Brangaccio simultaneously stated so if you can (inaudible), you know.

Mr. Preston continued, I don't even like negotiating in this context, and I am more than happy to negotiate this directly with Mr. Gummey. I was simply trying to accommodate because my Chair had asked about the timing of this and there are few changes that were proposed. My recommendation would be let me take it back and negotiate with Mr. Gummey as well.

City Manager Brangaccio then stated I don't see anything needing negotiation at this point. This is a five word change.

Mr. Preston stated I don't, yes.

Commissioner Britz-Parker simultaneously started to make comments (inaudible).

Chairman Biedenbach stated whoa, whoa, Commissioner Britz-Parker go ahead, Commissioner Britz-Parker has the floor.

Commissioner Britz-Parker stated a combination between the two before the CITY, okay I'm changing slightly what you said to incorporate what Pam had said:

{Upon the CITY's request, the UCNSB shall transfer funds and the CITY will deposit}

Commissioner Britz-Parker continued, it's just adding that little bit that what is, what the...

Mr. Preston stated I can, I can live with that if you say shall transfer the loaned funds to the City so they can deposit.

Commissioner Britz-Parker stated transfer the loaned funds...

Mr. Preston stated right.

{Upon the CITY's request, the UCNSB shall transfer the loaned funds to the City and the CITY will deposit}

Commissioner Britz-Parker continued, I don't think that's a problem.

(1) Motion by U.C. Commissioners at 12-19-16 Regular U.C. Meeting, under Agenda Item 2-a.\* - Stated Deadline of 1-5-17 Not Reached (cont.):

City Manager Brangaccio stated that's fine.

Commissioner Davenport stated but, but what happens here now, ma'am.

Chairman Biedenbach stated go ahead.

Commissioner Davenport stated but what happens here now like City Manager Brangaccio just brought up, anybody that's doing construction, nothing seems to happen on time, so it's delayed out, and it's pushed out here and we're sitting here.

Chairman Biedenbach commented well, we can't even get an agreement on time. I'm sorry.

Commissioner Davenport stated I mean, yes, there you go. They're protected over on that side...

Commissioner Holcomb stated but, but again they're..., no we've got the money allocated but they, they've got to meet a deadline for their grant. We can't, we can't apply any more pressure on them than what they already have, our \$850,000 is irrelevant. What's the grant, how much is the grant?

City Manager Brangaccio stated the grant's \$2.4 million...

Commissioner Griffith stated \$2.5 million.

City Manager Brangaccio continued, and the project's total's \$11 million.

Commissioner Holcomb stated and you have to meet a deadline, right, so they're under the gun to get this done, to meet the deadline for the grant.

Commissioner Davenport stated and we don't need their...

Commissioner Holcomb stated right, we're not going to be the, she just doesn't want to take the money until..., she doesn't want to pay interest until she's using it, that's not an unusual request. I don't want to pay interest on money I haven't borrowed yet either, their request.

Commissioner Davenport stated I..., understandable.

Mr. Preston stated so with those changes, and I won't comment on whether or not this agreement affects their grant, I don't believe that it does, but if you look to the next article, article 2. on the following page, and unfortunately the pages are not numbered, but it is article 2 under Loan. This change is a change that I cannot agree upon because you all made, by motion and passed the loan terms which include 6%. And this change is reducing that to two point, something...

- (1) Motion by U.C. Commissioners at 12-19-16 Regular U.C. Meeting, under Agenda Item 2-a.\* - Stated Deadline of 1-5-17 Not Reached (cont.):

City Manager Brangaccio stated .18.

Mr. Preston reiterated .18.

City Manager Brangaccio stated and I respect on principle the fact that you did take that motion and that is not something that Mr. Preston could, could even recommend for you to do unless, you know you elected to do that at tonight's meeting. The reason for the change and we've explained that, normally we charge up to 8% in terms of an assessment on a loan. We thought that we would, on an assessment we thought we would probably do the 6%, those were some of the early discussions, we agree with that but we've gone out now to TD Bank who is the City's bank. I am doing a gap loan, a ten year loan for another \$5 million so I can close the gap to bid and award a contract on the \$11 million project. So between my fund balance in stormwater and this year's stormwater, I've got to up front those costs when I bid the construction. TD Bank is going to give the City a loan for \$5 million, which means I can award an \$11 million contract and move forward with the project, and the fixed rate 2.18%. So all we're asking is for the same consideration is that if I can go to TD Bank, then maybe I can also get from you that 2.18%; that's the reason that's there. And I will not be charging the customers either 6%, it's still twice what you make quite frankly on your investments. I make more, corrected to less than 1% on my investments at the City so I doubt if you make any more than that.

After a couple of simultaneous comments, Commissioner Britz-Parker stated if I could I'd just like to comment.

Chairman Biedenbach stated to Commissioner Britz-Parker go ahead.

Commissioner Britz-Parker continued, that I would like to make about that because when I did meet with the City to talk about this I personally do not have a problem with this change, it would have been great to get 6% but I understand big picture, where they're at, because the 2.18%. And I read other agreements and I'm trying hard to catch up and understand the other agreements that we had. The other agreement that ya'll had, with 44 project, you know you did have a 6 percent rate. A different deal, you're dealing with commercial enterprises, it's bigger, the landowners, it's a different deal other than in this project what's happening is doing the sewer extension for residential customers and who really are not in a position, probably to pay 6 percent. Those people and the City is going to be charging them 6 percent, and really a government, who has a 6 percent loan at this point? I mean really 6 percent's pretty high and in the past things that had 6 percent. You know, this is still better and I personally, since it's a five-year deal and with all, I don't see any other changes ...

Commissioner Holcomb stated the, this year or the five-year was the, here's, here's what, when this thing started, my biggest goal was I didn't want to tie money up for ten years. Stated to the City Manager, you said you're going to assess for ...

(1) Motion by U.C. Commissioners at 12-19-16 Regular U.C. Meeting, under Agenda Item 2-a.\* - Stated Deadline of 1-5-17 Not Reached (cont.):

City Manager Brangaccio stated I may well assess for 20 years, quite frankly, because I'm getting yours in five.

Commissioner Holcomb reiterated 20 years, yeah right, no right, because of the hardship that it was going to put on the, yes, and I got, and I said to you in our meeting I said I wish I'd have known that when I was sitting here making a decision, when we made the motion. Because, again, I understand it, it makes sense, and to your point on the commercial side, if 6 percent's obtainable and you can pass it on, then you know we'll take all the 6 percent money people want to hand out. I have no problem with that, I just wish I would I had known at that point because we're still bettering our investment position. Plus, when we're done, we're getting our money back in a quicker period and then we have the ability to, we've solved the problem. And that's, when we started this we wanted to be able to work, come to agreements with the City, solve problems together and I just didn't like the fact that we were tying money up for so long. So I'm more, I'm happier with the five years than I was with the ten years on the first one, I'm not so bothered by 2.18,9 versus 6 percent because, again, I think it's \$27,000 a year. I don't think that's going to change the outlook of the U.C.

Commissioner Britz-Parker stated and that's not really going to be the number anyway because we're going to get it paid off over time.

Commissioner Holcomb stated correct.

Commissioner Britz-Parker continued, the total difference in interest is not...

Commissioner Holcomb stated right, it's, it's a small number, again, we're trying, this, this effort here is to try to be able to solve problems together.

City Manager Brangaccio stated exactly.

Commissioner Holcomb stated it's not about, so, so, again, I'd like to make the 6 percent, I just, I'd love to have made that decision back when we made the motion the first time, I told you that.

City Manager Brangaccio stated yes, understood.

Commissioner Holcomb stated so...

Mr. Preston then stated conceptually...

Chairman Biedenbach stated and then we're going to need a motion.

Mr. Preston continued, we're not a bank and we need to understand that.

(1) Motion by U.C. Commissioners at 12-19-16 Regular U.C. Meeting, under Agenda Item 2-a.\* - Stated Deadline of 1-5-17 Not Reached (cont.):

Commissioner Holcomb stated no, all right, but we do carry investments.

Mr. Preston stated we have ratepayer's monies that...

Commissioner Holcomb interjected that we're earning less than 1% on.

Mr. Preston continued, that we have pledged, pursuant to our CIP, for our ongoing operations and our maintenance.

Commissioner Holcomb stated and I understand, and I talked to Mr. Mitchum and I talked to City Manager Brangaccio about both working at what our CIP..., so that moving down the road is if we could more align working together. If you're going to do projects that align with your CIP versus having to rearrange your CIP to align to their projects. Now, there's going to be times where that might happen and we have that conversation but I'd rather have them pony up to our program than us keep changing ours to accommodate theirs. And I think, when we talked, that made sense to you, didn't it?

Mr. Mitchum stated well, like I said, we do present them with our CIP every year.

Commissioner Holcomb stated I know that, yes.

Mr. Mitchum stated so yes, they've got it and have plenty of time before they even approve it, which they don't approve the CIP, they approve our budget. They have plenty of time to look at it and see where it may align and even to look, okay, next year, this may align here.

Commissioner Holcomb stated right.

Mr. Mitchum stated so I said, to me, that makes more sense obviously, instead of coming over here at the last minute and us trying to change something where it may, you know, be which, you know, we don't have any prior knowledge of.

Commissioner Holcomb stated and I think we had that conversation, quite frankly.

City Manager Brangaccio stated we did and I think you're..., what is going to happen and I think it might have been Commissioner Holcomb... She then commented boy, that sounds weird, Commissioner Holcomb, Vice Chairman, excuse me, Holcomb.

Commissioner Holcomb commented that's awesome, right.

City Manager Brangaccio continued, I think the conversation you had, and in fact, Bill Preston points out in the agreement, this does not include some new lines that are contemplated for development along the ACA. That will probably be the next joint project we're talking about because there's going to be a problem with permitting those in terms of

(1) Motion by U.C. Commissioners at 12-19-16 Regular U.C. Meeting, under Agenda Item 2-a.\* - Stated Deadline of 1-5-17 Not Reached (cont.):

single family homes there, it's Sundance, basically. So, and there's also requests in on North Ocean, off of Peninsula, and we also have a big commitment in the CRA in terms of Historical West Side. So you're right, it's, it's a model, we need to get past this step to get on to those next in-fill projects, and in-fill projects are very different. I mean we all agree for a new development, absolutely, up front, all the infrastructures installed. You guys, we're, you're doing it, we're doing it, we're retrofitting at this point, is really what you're doing.

Chairman Biedenbach stated and it's my understanding we're going to need a motion to accept the 2.18(%), is that a correct statement Mr. Preston.

Mr. Preston stated you will need a motion to...

Chairman Biedenbach stated rescind the 6(%)?

Mr. Preston stated exactly.

Chairman Biedenbach stated and then to do 2-points...

Commissioner Britz-Parker stated and maybe adopt and agree with all the changes that are proposed here. Which I don't think we have, the only other ones I'm..., oh, what other changes?

Mr. Preston stated there are none others from us.

City Manager Brangaccio stated nothing from us, that's it, and I held our attorney down today and he's accepted Mr. Preston's changes. What you saw in blue from us was it.

Commissioner Holcomb stated and I'll, I'm just going to say moving forward, because I, and to City Manager Brangaccio, we said this in our meeting, you've identified with the CIP. I don't want to be where we have ten year plans and twenty year plans, I don't want to be here with a 90-day window because again, we had that 90-day window on the joint meeting. I brought it up then, I will say now if we get, you know, a gun to our head again and we're in a tough situation and we've had a plan that's been on the table and you guys have been working on it for five, ten years, and you come in and say I need this now, I'm going to be, no. If we start planning and working together and sitting down and looking and having plenty of time to make reasonable, good decisions, think things through. I just, I'm not going to go through this process again. So, and I would expect us to be very forthright with them in trying to work and solve problems in the community if we have the means necessary to do so. And I just, that's where I see this Commission moving forward, each deal will stand on its own, we've always said that. I don't think that we would ever stand up, but I want to be able to, this needs to be easier, this just seems very difficult.

(1) Motion by U.C. Commissioners at 12-19-16 Regular U.C. Meeting, under Agenda Item 2-a.\* - Stated Deadline of 1-5-17 Not Reached (cont.):

Chairman Biedenbach stated it is, I was at the City's Planning Meeting before I left to go to Pittsburgh and I made a statement in front of all of them, and I'm tired of hearing the City, the U.C., and the County. This is the community of New Smyrna Beach and we are going to work together.

Commissioner Holcomb stated all right.

Chairman Biedenbach stated and the Mayor and I will figure out a time that, or the City Manager and U.C. General Manager/CEO will figure out a time that the five of us and the five of you guys can all get together and I want it done sometime toward the end of January or February depending on everybody's schedule because... He then commented I'm going to quit before I start saying something. He then asked Mr. Preston if he was satisfied with what's been done.

Mr. Preston stated I am thank you. I would recommend those changes if that's what you're asking.

Chairman Biedenbach stated okay, we need a motion to drop the 6., we need a motion to drop the...

Commissioner Holcomb interjected change.

Chairman Biedenbach stated the changes.

Mr. Preston stated that's what I recommend. My recommendation is that you make the modifications...

Chairman Biedenbach stated word it so somebody can do it, go ahead.

Mr. Preston restated my recommendation is that you make the modifications discussed at this meeting in regards to the Islesboro Agreement. I do not specifically recommend the change in the interest rate.

Chairman Biedenbach stated okay, that's fine. Somebody, somebody...

Commissioner Davenport stated I'll make that motion based on what Mr. Preston just said.

Commissioner Britz-Parker stated I'll second it.

Chairman Biedenbach stated okay, all right, any discussion on that?

Commissioner Griffith stated so we have separated..., I'm sorry Mr. Chairman.

(1) Motion by U.C. Commissioners at 12-19-16 Regular U.C. Meeting, under Agenda Item 2-a.\* - Stated Deadline of 1-5-17 Not Reached (cont.):

Chairman Biedenbach stated to Mr. Preston, then do we do a second motion to, we do a second motion for the interest rate?

Mr. Preston stated to rescind and...

Chairman Biedenbach stated okay, you got that Commissioner Griffith.

Commissioner Griffith stated that's what I wanted to check on, there are two different things here now so we've got to vote on the words first and then we're going to vote with respect to...

Chairman Biedenbach simultaneously stated interest rate.

Commissioner Griffith continued, yes, the interest rate.

Commissioner Britz-Parker stated and we have a first and a second on the word changes.

Commissioner Griffith stated yes.

Chairman Biedenbach stated okay, Mrs. Simmons do you've got that.

Mrs. Simmons indicated yes.

Chairman Biedenbach then stated everybody, everybody square? Commissioner Griffith?

Commissioner Griffith stated yes, on the words.

Chairman Biedenbach stated yes, yes.

Mrs. Simmons confirmed she was to call the roll. Commissioner Davenport's previous motion to approve the language modifications in this agreement then passed unanimously on a roll call vote.

Chairman Biedenbach stated all right now we need one for interest rate change. What do we do, we rescind the 6%, I need a motion to rescind the 6% on the agreement.

Commissioner Davenport stated yes sir, I'll make that motion, rescind 6% (interest rate) and,

Chairman Biedenbach stated I need a second.

Commissioner Britz-Parker stated he's going to rename the new rate isn't he?

Chairman Biedenbach stated do you want two motions or one?

(1) Motion by U.C. Commissioners at 12-19-16 Regular U.C. Meeting, under Agenda Item 2-a.\* - Stated Deadline of 1-5-17 Not Reached (cont.):

Mr. Preston stated I would suggest that you do that in one motion, because what you're doing in changing terms you're actually nullifying the entire promissory note, so you can make a motion to modify the 6% to a 2.18%.

Commissioner Davenport stated okay, I make the motion to rescind the 6% interest rate to a 2.18% interest rate.

Commissioner Britz-Parker stated second.

Chairman Biedenbach stated any, and then stated go ahead to Commissioner Griffith.

Commissioner Griffith stated just before, I guess, give you my perspective on this. I have a little trouble with dropping 6 to 2.18. I need to say a little bit more about that, that was one of the driving forces in this original agreement that we made back on the 12<sup>th</sup> or the 19<sup>th</sup> of December.

Commissioner Holcomb stated right.

Commissioner Griffith stated and I'm also conscious of our ratepayers, because this made it very palatable where you could explain it to the ratepayers as well as the community, taxpayers.

Commissioner Holcomb stated yes.

Commissioner Griffith stated so I'm struggling with the reduction of more than a 100, sic 50%.

Commissioner Holcomb stated yes, and I was too, and again like I said I was right up until I understood, and again in the partnership, it'd be different if I thought they were just cutting us to cut us.

Commissioner Griffith stated sure.

Commissioner Holcomb stated we're going to extend the assessment, and when I talked to the City Manager, we're going to get our money back in five years. They're going to get their money back between 10 and 20 years. If we're going to be a partner, I don't think we'll, we're going to, made whole in five years, basically doubling the same \$850,000, what our current investment is, and then we can move forward with it. I just, like I said, understanding their situation on their side, and to be honest with you I told I'd be much happier if they just got the \$850,000, the other \$850,000 from TD Bank anyways.

Commissioner Griffith stated sure, yes, exactly.

(1) Motion by U.C. Commissioners at 12-19-16 Regular U.C. Meeting, under Agenda Item 2-a.\* - Stated Deadline of 1-5-17 Not Reached (cont.):

Commissioner Holcomb stated but, but I understood it, I wasn't happy with it either, but I, it makes sense. If they were getting their money back in the, in that time frame, or was it commercial where they could pass on the money then I would steadfast but when you're talking about residential, you're really starting to put the burden. And I, you know I understand this return, because of those reasons I, that's the only, the only reason that I would have accepted the 2.18 versus the 6.

Commissioner Britz-Parker stated and I just want to reiterate that I was coming from the same place there. I didn't, I also was frustrated that when we had the joint meeting and we unanimously voted this, all the City Commissioners were there. And if anybody had a problem with the 6% it would have been really nice if somebody would have spoken up, we could have done something then.

Commissioner Griffith stated absolutely.

Commissioner Britz-Parker stated I mean I absolutely agree with you, but it didn't happen that way, so I'm learning. But I do understand, having toured the neighborhood, seeing that this is really a different scenario than what we had on 44 where I think a lot of time 6% is charged because those people that are being assessed generally, you know it forces, it kind of encourages prompter payment because those people either have the funds or they have the ability to finance at a lower rate. I think the people that will be involved, the individual homeowners in that neighborhood would be, in a lot of instances really a pretty tremendous hardship for them to pay 6% and the City isn't going to be paying 6% and the City is going to be – they're not charging 6% and you know we get our money back at five years versus possibly 15 or 20. So I'm with Commissioner Holcomb because that makes sense to me.

Commissioner Griffith stated sure.

Commissioner Holcomb stated but, Commissioner Griffith, to hone in on that again, my goal here, and Mr. Preston we talked today, is we need to create, we might, we have to look at changing policy until we have the ability to participate when needed. That, you know, if we see fit to participate, not be obligated to, big, big difference. We still have the right from the outside to participate or not participate in the City projects. But, here's what I see happening, is that basically everything just gets, it's a stalemate nothing can move because you know, we're landlocked because the U.C. doesn't do infrastructure, the City doesn't do infrastructure, and we just sit here. So, you almost wonder what the intent of the policy was when it was created, was it to restrict growth, or was it to really..., I don't know, I mean I don't, I just, and Mr. Preston we talked about it today at length, I want us to move towards policy that gives us the ability to work with the City when we see fit. But not be obligated every time they want to move a manhole cover.

Mr. Preston stated may I make two comments and they're related to the motion. One, just to quickly answer yours, the policy is set so that those responsible pay...

(1) Motion by U.C. Commissioners at 12-19-16 Regular U.C. Meeting, under Agenda Item 2-a.\* - Stated Deadline of 1-5-17 Not Reached (cont.):

Commissioner Holcomb stated right.

Mr. Preston continued, bottom line. But my question is to City Manager Brangaccio, we're making a, a connection between the interest rate for the loan to the City and the assessment rate. Is the City limiting the assessment rate, interest rate, to the citizens based on the rate of this loan?

City Manager Brangaccio stated oh, absolutely, I may even go lower.

Mr. Preston stated okay.

City Manager Brangaccio stated and we're looking at, again, maybe up to 15, 20 years. We're looking at subsidies again from the stormwater funds. This is an important enough environmental project for us, there's a reason we got \$2.4 million in terms of water quality improvements. This is really about moving forward with an in-fill project that needs to happen. So Mr. Preston, we're in fact...

Mr. Preston stated this was just for clarification because, you know, Islesboro doesn't specifically limit the City to that, and there's a lot of discussion about that.

City Manager Brangaccio stated no, yes it does not, and (inaudible), you've got properties that are valued anywhere between you know \$100 and \$200, I mean this is not multi-million dollar commercial properties that we are dealing with. And we're going to be, this is a complex assessment, such that we are literally bringing on a consultant to help us put together the assessment role. You have 21 properties in one state of sewer infrastructure, you have another 29 that don't need as much, so we're going to be calculating individual benefits. I'll probably have two MSVU's, quite frankly, in terms of that assessment, it's that complex. So, we're, we're probably anywhere from six to nine months from really even finalizing a preliminary assessment role because of the various issues with it. And I wanted to compliment Mr. Mitchum and the engineering staff, they're, you know you're really helping us as we walk through this. It is a very old subdivision in a lot of ways and the infrastructure is, is sketchy there, at best, in some places and we're all, I know we have a meeting coming up, Mr. Resheidat does, with the engineer for the project and the engineering staff, again, trying to narrow down the exact number of properties. So, but we have no intention of doing 6% or even 4% there.

Mr. Preston stated thank you.

Chairman Biedenbach also stated thank you to City Manager Brangaccio, and then asked Commissioner Griffith, is that good enough, is that enough explanation for you that you could vote.

Commissioner Griffith stated I'm, I'm good, yes.

(1) Motion by U.C. Commissioners at 12-19-16 Regular U.C. Meeting, under Agenda Item 2-a.\* - Stated Deadline of 1-5-17 Not Reached (cont.):

Commissioner Holcomb stated one other thing too, and just because I wanted, I said well give me some different scenarios and she (City Manager) did, it was Venezia, Venezia when you did the dredging and the assessment. So, so in this area they went the extra mile with the time where they had a shorter window with Venezia, so when she says the bigger houses, they actually followed through with that action with their assessments in the other areas because I actually asked for that, so what they're saying's it, it passes the test.

Chairman Biedenbach stated so what we're voting on is a reduction in the rate of interest to the City from 6% to...

Commissioner Holcomb interjected 2.18%.

Chairman Biedenbach, continued 2.18%...

Commissioner Griffith stated from the City.

Chairman Biedenbach stated right, I'm sorry, from the City, 2.18%. Everybody clear? Mrs. Simmons, please.

Commissioner Davenport's previous motion approving a reduction in the interest rate then passed with a majority of the Commissioners voting yes, Commissioner Griffith voted no.

Chairman Biedenbach then stated, okay, what else do we have?

Commissioner Griffith stated it's just that.

Chairman Biedenbach stated all right, for my Commission, I have literally just gotten off 95. I talked to City Manager Brangaccio and Mr. Resheidat before I left, and the Mayor. I would like to have a joint meeting sometime before the end of January or early in February. If you all would let me know the dates that you are available, but not tonight, go check your calendars. Commissioner Holcomb, are you here for real now or are you still traveling on the weekends.

Commissioner Holcomb stated I'm here.

Chairman Biedenbach stated okay, so if you all would look at that, get your schedules back to Mrs. Simmons. City Manager Brangaccio, I will get with you when I quit driving. He then asked Commissioner Davenport if he had anything for tonight.

Commissioner Davenport stated I was just going to bring up something here, I don't know if it's the right time, but Michael Brewer appeared before us not long ago about having the fire in the back of the building. Out of curiosity, I went down the alley over there to look. Besides him digging under the sidewalk and costing him thousands of dollars, I went and looked at

(1) Motion by U.C. Commissioners at 12-19-16 Regular U.C. Meeting, under Agenda Item 2-a.\* - Stated Deadline of 1-5-17 Not Reached (cont.):

that, just happened to do it actually this week. And there's plenty of room back there to accommodate him for what he's asking for, and for the, if you will, the water turnoff that comes up out of the ground. There's posts back there, there's room for the cars to get up and down that alley. I mean what he asked for was not outrageous or you know wrong, it just made, I mean you can go look at it. And I thought this doesn't make sense to me to try to accommodate somebody besides him spending thousands of dollars. When I hear things like that, I want to go look at them personally and just kind of see it. But you know you think of him digging under all that stuff and his cost, he can just put it in the back too, it'd save him a lot, and you know, he's already investing in our community, redoing the building.

Commissioner Holcomb stated right, right, I don't think it was the space, I thought it was the capacity on the actual...

Mr. Mitchum stated you are correct.

Commissioner Holcomb stated yes, I, I don't think it was that issue.

Mr. Mitchum added, and he does not have any property in that alley way.

Commissioner Davenport stated okay, then I stand to be corrected, let's move on. Thank you.

Chairman Biedenbach stated no problem at all. Commissioner Holcomb do you got something?

Commissioner Holcomb stated no, I'm good.

Chairman Biedenbach stated Commissioner Britz-Parker.

Commissioner Britz-Parker stated just something I'd like us to consider and address at our next meeting (inaudible). I would like, and I think the other Commissioners would like also, to see if we can schedule something, I'd like to hear from our Finance staff to understand better than I do today. Like all the time you guys are mentioning your CIP's and all that but you know looking at the report itself is one thing, okay? Actually having someone talk to you in English and like not too complicated. I'd like to understand better than I do today, like here's where we're at from your finance guy. You know, here's where we're at overall and here's our plan. You know, just as a..., not, not where, not somebody just giving me a big fat document and say here you go. You know, I'd like to understand better because my understanding what we have to do now, pretty much June is when we're looking at having our budget finalized for the next year.

Mr. Mitchum stated we have to have it to the City, I believe, by June 1<sup>st</sup> or May 31<sup>st</sup> possibly.

(1) Motion by U.C. Commissioners at 12-19-16 Regular U.C. Meeting, under Agenda Item 2-a.\* - Stated Deadline of 1-5-17 Not Reached (cont.):

Commissioner Britz-Parker stated okay, so sometime between now and then, I would like to understand way better than I do today where the Utilities Commission is financially and what the policy has been, what the vision has been for the future as it relates to CIP. Because, for instance, what we did today and what we voted on today doing, obviously that money is coming out of money that you had used for CIP. So I want to understand better and I think we all need to understand better, especially if we're going to, perhaps, do things differently moving forward. We need to understand better than, than we do right now where we're at financially. So if somehow that could be communicated to the finance people and we can begin some thoughts on when we might begin to get that done. It might take more than one meeting, it might need to be a workshop, but something where we're not down to the wire, in a crunch, trying to understand it when we've got to have a draft ready to go to the City for budget approval. You know, like if we're going to have joint meetings with the City and talk about our joint CIP projects, I feel like I've got to understand what we've got on the, what our plans are, and you know now I don't really fully understand them. So if we can just think about that; that's all I've got.

Mr. Mitchum stated I think we can accomplish that.

Chairman Biedenbach simultaneously stated I will take that into consideration, and then stated Commissioner Griffith.

Commissioner Griffith stated he was good, and then added Happy New Year everybody.

Commissioner Holcomb stated I just want to add one thing, to Commissioner Griffith.

Chairman Biedenbach stated go ahead.

Commissioner Holcomb stated Commissioner Griffith, I appreciate your no vote by the way because I was, on the rate. And the reason that I made the statement with the, with the policy is that the reason we got there is we all wanted to enter into an agreement. The only way we could get there was kind of concoct some way, you know, around to get the money out or get the projects. I'm not happy, and Mr. Resheidat, you sat in that meeting, I was not happy at all when we were in there. There's got to be a better way to do this.

Commissioner Griffith stated no question.

Commissioner Holcomb stated and I think let's, let's look at policy versus...

Chairman Biedenbach interjected we're going to Commissioner Holcomb.

Commissioner Holcomb stated we're, we're kind of beating the square peg in a round hole and I'm just kind of, I'm just kind of done doing that, okay.

(1) Motion by U.C. Commissioners at 12-19-16 Regular U.C. Meeting, under Agenda Item 2-a.\* - Stated Deadline of 1-5-17 Not Reached (cont.):

Commissioner Griffith stated sure.

Commissioner Holcomb continued, so, I appreciate your no vote is what I'm telling you.

Commissioner Griffith stated and no question, we've got to deal with policy so that we don't get jerked around and...

Commissioner Holcomb stated no, that's right.

Commissioner Griffith continued, and makes, agreed to something and then all of a sudden we're changing what we agreed to at the expense of our ratepayers.

Commissioner Holcomb stated right, absolutely, I agree 100%.

Commissioner Griffith continued, and nobody wants to work harder with the City, getting together and making things happen and look at, just like Chairman Biedenbach said, just like the Chairman, we are one community. We are one great community here, we've got to work together and find ways where we can help each other, but let's get the processes in place.

Commissioner Holcomb stated that's mutually beneficial to both.

Commissioner Griffith stated exactly.

Commissioner Holcomb stated right, I agree with that.

Chairman Biedenbach stated Commissioner Davenport, go ahead.

Commissioner Davenport stated one more thing, in reading all the emails, Commissioner Holcomb I noticed that you had sent an email in and make, was that to make some recommendations. I'm really concerned about security, hacking, getting into this system; that scares me to death. You know, I know we're working on I.T. and I missed the last meeting and I think you brought something up along those lines, did you not?

Commissioner Holcomb stated yes, well I think it was, I mean in the last meeting I felt pretty comfortable; was it actually...

Mr. Mitchum stated yes, we had a...

Commissioner Holcomb then stated they, the email that I sent in, they basically went over and line by line answered the questions. So I was, I was, I'm comfortable with the answers, I just, and I think Mr. Mitchum and I are on the same page, this isn't one of those things that's going to..., we hope to get it done in a reasonable amount of time, that it's going to get done immediately. So I believe that, it's, the fire's been lit on that to...

(1) Motion by U.C. Commissioners at 12-19-16 Regular U.C. Meeting, under Agenda Item 2-a.\* - Stated Deadline of 1-5-17 Not Reached (cont.):

Mr. Mitchum interjected absolutely.

Commissioner Holcomb stated yes, so I was content with it.

Commissioner Griffith stated to Commissioner Holcomb, and I think Commissioner Davenport missed that meeting where we did have that (presentation), and there was a good handout. Mrs. Simmons I'm sure can give you the handout if you didn't get it.

Commissioner Holcomb stated yes.

Commissioner Davenport stated on the comparisons made...

Commissioner Griffith stated on the I.T., yes, I guess. It was a full blown presentation that we all were here for and it would help some.

Commissioner Davenport stated I didn't know if that was something that would happen (inaudible).

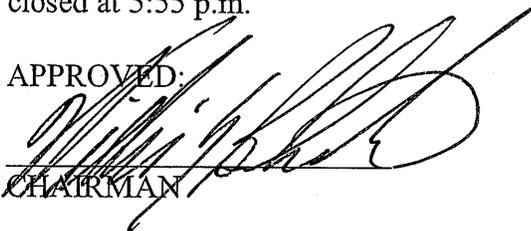
Commissioner Griffith stated it's an issue everywhere, about security.

Chairman Biedenbach then stated Mr. Mitchum do you have anything.

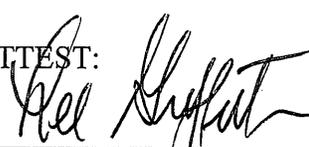
After a couple of simultaneous, inaudible comments, Chairman Biedenbach stated oh, we're losing somebody, then anybody else? He concluded by stating that's it gang, and adjourned the meeting.

There being no further business to come before the Commission, the Special U.C. Meeting closed at 5:55 p.m.

APPROVED:

  
CHAIRMAN

ATTEST:

  
ASST. SECRETARY-TREASURER

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