

AGENDA ITEM 2-a

MINUTES OF TWO FINAL PUBLIC HEARINGS AND A REGULAR MEETING OF THE UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA, HELD MONDAY, AUGUST 20, 2007, AT 6:00 P.M., AT 200 CANAL STREET, NEW SMYRNA BEACH, FLORIDA

Chairman Para stated before we officially start the meeting, we're fortunate enough to have a Pastor on our board, on our Commission, and ask him to lead those who would like to join in a prayer. Commissioner Allen proceeded with the invocation.

Chairman Para then requested Commissioner Hall to lead in the Pledge of Allegiance.

(1) Final Public Hearing RE: Annual Review of Developer Contributions to Utility Infrastructure:

Chairman Para then opened the final public hearing regarding the Annual Review of Developer Contributions to Utility Infrastructure, and requested a roll call to be taken. All of the Commissioners were in attendance as follows:

Commissioner Richard L. Spangler
Commissioner Walter Allen III
Commissioner Jeanne K. Diesen
Commissioner William E. Hall
Chairman Kevin J. Para

Others in attendance were as follows: R. Rodi, General Manager/ CEO; L. Klinkenberg, Director of Finance; R. Mitchum, Director of Electric Operations; J. White, Director of Engineering; D. Hoover, Director of Water/ Wastewater; T. Beyrle, Director of System Ops./Generation; R. Lemoine, Director of I.T.; E. Mahle, Public Information Manager; C. Roberts, Budget D. Wood, Billing & Collections Supervisor; D. Zorge, Customer Service Supervisor; D. Simmons, Executive Asst./Recording Secretary; and a couple of other U.C. employees; B. Preston, Interim U.C. Legal Counsel; Melanie Stawicki-Azam, Reporter for the NEWS JOURNAL; City Commissioner L. Plaskett; City Commissioner R. Richenberg; Steve Garthe, Esquire; Sally Mackay; Bob Tolley, Janice Baum, Marie Young, and approximately seven other unidentified men; all members of the public.

Chairman Para requested Mr. Preston to read the notice of public hearing and proposed resolution.

Mr. Preston stated for the record this final public hearing was authorized by the Utilities Commission during their June 18, 2007, Regular U.C. Meeting and notices appeared in THE OBSERVER at least ten days prior to this date. Notices were also placed on the bulletin board at the Utilities Commission office at 200 Canal Street and City Hall at 210 Sams Avenue. Proof of publication of advertisement of this hearing will become a part of the minutes. Mr. Preston then proceeded to read the proposed resolution by title only.

Chairman Para then asked if there were any comments for or opposed to the Annual Review of Developer Contributions to Utility Infrastructure. There being no comments, Chairman Para closed this final public hearing at 6:03 p.m.

(2) Final Public Hearing RE: the Update/Revision of Pole Attachment Fees (and Associated Pole Attachment Agreement):

Chairman Para then opened the final public hearing regarding the Update/Revision of Pole Attachment Fees (also updating associated pole attachment agreement, public hearing requirement for fees), and requested a roll call to be taken. All of the Commissioners and attendees as shown in the first final public hearing were still in attendance.

Chairman Para requested Mr. Preston to read the notice of public hearing and proposed resolution.

Mr. Preston stated for the record this final public hearing was authorized by the Utilities Commission during their June 18, 2007, Regular U.C. Meeting and notices appeared in THE OBSERVER at least ten days prior to this date. Notices were also placed on the bulletin board at the Utilities Commission office at 200 Canal Street and City Hall at 210 Sams Avenue. Proof of publication of advertisement of this hearing will become a part of the minutes. Mr. Preston then proceeded to read the proposed resolution by title only.

Chairman Para then asked if there were any comments for or opposed to the Update/Revision of Pole Attachment Fees (and associated pole attachment agreement).

Chairman Para confirmed there were no further comments and then closed this final public hearing at 6:05 p.m.

REGULAR U.C. MEETING:

Chairman Para then requested a roll call to be taken to open the Regular U.C. Meeting, all of the Commissioners and the attendees from the previous final public hearings were in attendance.

(1) Agenda Changes, Additions and Deletions:

Chairman Para stated Mr. Rodi you had mentioned that there was something that you wanted to possibly move around here.

Mr. Rodi stated yes, due to a scheduling conflict Counselor Garthe who is representing the Southeast Interchange, I would ask that we consider that item right after item 2., after the Approval of Consent Items, so that we can talk about that and then he can go about his business.

Chairman Para stated very good, are there any objections to doing that. There being none, Chairman Para stated so with that we'll go on to any additional changes, additions or deletions to the agenda this evening by any other Commissioners. There being none, he asked if there was the approval for the consent items.

(2) Approval of Consent Items:

Commissioner Diesen made a motion to approve the consent items as follows: item 2-a. Minutes of UC Workshop Meeting Held 5-14-07; and item 2-b. Minutes of One Final Public Hrg., Two Preliminary Public Hrgs. and Regular UC Meeting Held 7-16-07, approve both as submitted; item 2-c. Developer's Agreement and Addendum – Beachside Village, and item 2-d. Developer's

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

Agreement and Addendum – Shiny Brite Car Wash, approve both as submitted and authorize GM/CEO to execute both; and item 2-e. Services of Archaeologist – South Riverside Drive Water and Force Main Replacement, no action required, information only regarding Amendment No. 1 for Task No. 07-002. Commissioner Allen seconded this motion and it passed unanimously on a roll call vote.

(7-e) Update RE: Southeast Interchange Complex LLC Developer's Agreement and Addendum:

Chairman Para confirmed this item should be considered at this point.

Mr. Rodi stated this would be the appropriate time and requested to summarize this item. He stated this developer's agreement and the addendum was approved in June of 2006. What has transpired since that time is that there's been some discussion about the addendum and I think with the commercial development, as you well recognize, they're much more complex to put together and then deal with what is actually going to happen on that property. What has occurred now is that the original number of ERU's and I think that number was like 219, has now been recalculated to 154, and I think staff is in agreement with that number as best as we know it at this point. Secondly, we have looked at the routing, the critical infrastructure piece is a 6" wastewater line that really has two potential routes. One is down S.R. 44 headed to the west and then north on the named Williamson Boulevard into the plant and that's a long distance. We think that there's a better route for the force main that would go directly north and would benefit the U.C., it would benefit also this particular site and there is some leverage also with Gardens 207 for their needs for a waste line. So late today we received a Memorandum of Understanding that I've not had enough time to review and from what I've seen I'm in agreement with it conceptually, it needs a little bit of tweaking with words, and what I'd like to do is gain your approval for this change to the new ERU number and then to proceed with the ERU. And the critical part of the MOU is that the developer, like we have done in the past with other developers, will install this line. So the outcome will be he will be able to control his schedule more effectively and the benefit is the contract that he's using for his site work also was the low bidder and this is the potential contractor for the installation of our line.

Mr. Rodi stated so with that summary I'd ask for your approval of the new number, that's the only thing different from the last time you had approved this and then within I hope this week, I'd like to call a special meeting for the approval of the MOU so you can see it. There's nothing magical in it, you've seen a similar one before, so he can be finished and we can move on our way with this. Mr. Rodi then asked Counselor Garthe if he missed anything there.

Counselor Garthe stated no to Mr. Rodi and then addressed the Commission. He stated I just want to point out that we're under time constraints, this project is going to lose its entitlement if we can't get everything wrapped up and to the City Commission next week. I just would like to thank personally Mr. Rodi and Mr. Preston, they've worked very hard to find the most economical means of getting this accomplished on behalf of the Commission and the developer. I think we're in agreement on the Memorandum of Understanding, we just haven't had time to iron out a couple of little language things. Thank you very much.

(7-e) Update RE: Southeast Interchange Complex LLC Developer's Agreement and Addendum (cont.):

Chairman Para stated all right, it's up here with us, so comments, discussions, motions?

Commissioner Diesen stated to Mr. Rodi, so you want a motion to approve it in concept and then come back to us.

Mr. Rodi stated yes, what I'd like is a motion approving again both the developer's agreement and the addendum at the 154 ERU level and the MOU in concept which is to be brought back to you very soon.

Commissioner Diesen stated I'll make that motion just as you stated it. Commissioner Spangler seconded this motion and it passed unanimously on a roll call vote.

(3) Public Participation:

Chairman Para then commenced public participation.

A member of the public, a woman, addressed the Commission and stated I don't know exactly what you're talking about but.

Chairman Para stated this is an opportunity for you to speak to us.

She stated good, I would like to be able to have an appointment with you, someone downstairs, and to have not just a real short appointment because there are a lot of things that need to be taken care of with my account and that's what I'm after this evening.

Chairman Para requested this woman to state her name and her address.

She stated Marie Young, 14 Chip Lane, in New Smyrna Beach.

Chairman Para then asked is this a problem with the billing, so Ms. Laurie Klinkenberg (Director of Finance) will make contact here and we'll take care of that. Is that satisfactory for you?

Mrs. Young stated yes. She then stated and you will let me know, and started to state her telephone number.

Ms. Klinkenberg stated I'll give you my business card and you can call me, it's the direct line to my office.

Mrs. Young stated okay, thank you.

Chairman Para added she's our chief financial person so she'll be able to take care of that. He then asked if there was any further public participation.

Ms. Sally Mackay, a resident at 108 Lincoln Avenue, then addressed the Commission. Ms. Mackay

(3) Public Participation (cont.):

stated I'm currently, and for the last two months, involved in a project that takes me around town talking to a lot of people. I just want to raise an issue that come up frequently which is that I'm asked what has happened to the \$7.3 million that was lost by the U.C., "lost", and some people know or think that it was more. And the other question that I'm presented with why are those people responsible still there. I'm just wondering when this Commission, that has done so much for this City is going to refute that loudly and publicly because I think it's needed.

Chairman Para stated okay, thank you for your comments. I don't know that we could answer in a few seconds, or minutes or maybe a few hours where all the money has gone.

Commissioner Spangler stated I don't think that's point, obviously I've heard a little bit of this too. I think the point is despite what we've accomplished and despite the fact that the people that apparently caused the problems are gone and despite that fact that all the losses such as they were have been accounted for and are public record, the perception out there apparently still is that nothing has ever happened. My feeling on that is it leaves us a little bit vulnerable out there in the public. I mean if the average person on the street still thinks that none of those problems went away, I think that's a problem for the Utilities Commission and I kind of agree. Exactly what we need to do about that, I don't know, but personally I would say that probably when we hear things that we know are not true, we should speak up. In what venue I'm not sure, maybe right here to start with, but yeah I'm surprised to hear that and I think it puts us at a disadvantage.

Commissioner Hall stated I hear the same comments, \$7.3 million, \$100 million, \$80 million, and we have discussed it at several Commission meetings, started discussing them back in May of 2005 when I got appointed and Commissioner Spangler when you got appointed and Buz Reynolds was appointed. It goes back to how do we get out the correct information. I swear to you when I was High School principal here back in eons ago, I spent 75% of my time putting out false rumors. You know the old thing about form a circle, say something and by the time it gets around it's the completely opposite of what you've heard. How do we do public relations? I think that is a problem for every public sector in our government, not only here but elsewhere. And I don't have an answer other than to correct people when they say something because by our silence we indicate that we agree with them, at least that person thinks that we agree with them so we do have to speak out. And I think we've had a couple of mail outs that have gone out, explained what was going on or at least trying to explain, well how many people read the mail outs that comes in their utility's bill. What's the first thing they look for, they look at the bottom line of how much they're going to have to pay us.

Commissioner Spangler stated yes, I don't know how many different governments have the sensational situation that we had here but it seems to me that considering how well it was taken care of and how well things are going now, it's disappointing to me that anybody out there on the streets still thinks nothing has changed. And I don't know where in a utility we speak out other than right here because it's really not said right here, it's said out there on the street. The people that come to these meetings probably know what's going on and they're not saying it. It's out there, it's the people that don't attend the meetings.

(3) Public Participation (cont.):

Commissioner Diesen stated the only opportunity that we have to really get information out to everyone is in the bill. I mean that is our bully pulpit if you will and if it's not going to be read, you know, is there anything that we can do, is there any sort of campaign that we can have because I hear the same thing. I get button holed everywhere I go, you know what happened to the \$7.3 million and I go well it was gone when I got there and we're doing everything including chasing it all the way up to the federal level. She then asked Counselor Preston if we have heard anything.

Counselor Preston stated not a word.

Commissioner Diesen stated well that could be good news because it's taken them two years to finally cuff those people down there in Broward County and Palm Beach so maybe they're working their way up the coast. But I do think that we need to do something, it's obvious that we're not getting the message out and because we happen to be the ones here now, it falls back to us. I don't like being called a "thug", you know "what about those thugs at the U.C.". Well, hello, and then you have to go through the whole history and nobody's going to stand and listen to that so what do we do? Do we try, I think we have to do something but let's determine that we want to do something.

Chairman Para stated that might be the case, just to take a quick stab at this. The way I look at governmental responsibilities is sort of like you step on to a moving battleship, it doesn't change course very easily and it certainly doesn't change course over night. The course was set long ago, by others, and like it or not this is a responsibility that we inherited and I think that through now three leadership changes some remarkable things have occurred. There's a level of accountability that has been brought back to the Commission, there are systems both in accounting and software and several other sectors that make this Commission more transparent and more accountable. There's a style of leadership and management now that's a level of professionalism and acumen now that I have in my span of living in New Smyrna Beach have never seen. So I think there's lots that are done and it's sort of like raising children, you can't really brag on your children until they're kind of grown and actually someone said, who was quite wise, it's your grandchildren that really matter. So in this context I think that history will be our best judge as many things that are significant. And this Commission is significant to this community and it has a great opportunity and responsibility. I do believe that it is our responsibility as we are sitting Commissioners to refute any misinformation or misleading information. One of the things that I said, Dave Hoover, we had sort of a crisis at one time and one of the things I asked the leadership team at that time was to try to get people in the Commission to mitigate the gossip because that's the worse thing that you can fight against. So again I say to each of you, good Commissioners of good character, continue to address these issues one at a time. I think we run a risk of being too overt and being a little bit too forward in trying to explain away something that clearly was not the responsibility of this sitting Commission. This sitting Commission addressed some grievous malfeasance and all the rest that took place and that I believe the hands of justice will eventually reckon a fair toll. So all that to be said, that's my thoughts and comments, and if there's someone who would like to make a motion or something we'll entertain it.

Commissioner Diesen stated well, what kind of a motion would you...

(3) Public Participation (cont.):

Chairman Para stated I'm not coaching Commissioner Diesen for anything, I'm just saying if you feel led to, whatever you would like to do.

Commissioner Diesen stated I think we need to have some planning on what we're going to do and I think we need to have some strategies in place to deal with this. And while we're talking about that, I was going to bring this up later, but I put a letter in front of each of you tonight and this was a letter that went out to the Chamber, to the folks in the Chamber of Commerce as well as to the City, and because I'm a past president of the Chamber of Commerce I took it upon myself to intercede on our behalf with the Executive Director of the Chamber of Commerce. This is just one section from someone else's perception as they were giving the information that happened at the budget hearings. And it says, and I'm going to read this paragraph to you, Attorney Gummey reported that the cell phone tower lawsuit was a lost cause. The Utilities Commission tower, even after certification and upgrade was not deemed to meet the needs of cell phone tower providers, the case was settled. As part of the agreement the City is not allowed to take action against the developer who is leasing the land for the cell phone tower down near route 95. This brings to the forefront again the lack of planning of the Utilities Commission. This will result in lost revenue to the Utilities Commission because it will not be able to compete. What can be done here, the citizens are at risk for higher utility costs if the Utilities Commission does not do its job. We should revisit the issue of City Commission oversight over the Utilities Commission. The Utilities Commission's transfer to the City budget remains 6% at \$3.3 million in 2007/2008.

Commissioner Diesen stated this was an information piece that went out to Chamber members and to the City Commission, now that's not right. And we'll get to this issue, this is not correct information plus it's filled with pejorative terms against the U.C. and if we don't speak up when these things happen, then it's going to continue to happen. As I say I got Steve Dennis and said listen you know, he said what can I do, I said the damage is out there and I asked for a retraction and I haven't seen it. So you see this is what we're up against and I told him, I said come to the meeting if you want to I'm going to make it a public issue because this is wrong information. It's not that it's half wrong, it's just wrong and you will get to it when we discuss the cell phone tower. There are other errors in here but I'm not here to discuss errors and omissions of somebody else's, this was about us and I take exception to it. I want those kinds of things brought out into the open and corrected. Now if we need a strategy, if we need to get together, if we need help from the outside then let's get it, but I'm tired of this, for one I'm not going to sit by and take it anymore, I'm fed up.

Chairman Para commented I think Melanie Stawicki (News Journal reporter) did a great job, not to put you on the spot, in the past of covering these issues and did it very properly in a chronological order and person by person and everything else. He then asked if there were further comments.

Commissioner Spangler stated yes, I'd like to say something about it, I mean I'm astounded at this, I'm astounded that this comes from the Chamber in some manner, I'm not sure of all that, but it's full of, I mean this person is totally uninformed. I mean if you know the history of the tower that she's talking about you know that tower was bought not by us but by a previous so called administration for the purpose of providing signals for the telecom, right, it was never really intended to be for anything else, I think it had some other minor capacity but it was not the intent of

(3) Public Participation (cont.):

the previous Utilities Commission even to have that tower be for revenue. The only business plan was wanting to get signals for our telecom. Then we came along and inherited this thing it had nothing to do with our plan, the tower was never intended to be a business investment or a return and my understanding was it wasn't safe to walk out there because of the ground grid and the thing on the top when we inherited it was rattling around in the wind, and we've been working on that. So it's sort of disappointing to see this and it's disappointing that if this came from the Chamber that they haven't disowned it. You know I don't like this.

Commissioner Diesen stated he assured me that it wouldn't happen in the future, I said the damage has been done, you know it's like trying to unring a bell, doesn't happen very often.

Commissioner Spangler added well its ridiculous is all I'll say.

Ms. Klinkenberg stated I'd like to add some information for that, to go against what was actually said in there, what's really going on. The plans have been approved, and Mr. Rodi correct me if I'm wrong, everything's been corrected on the tower, we're in the process of going through an RFP process to have attachments and get some revenue from that. My Materials Manager, John O'Brien is working with Engineering to really get our ducks in a row before we do this, this is like a new avenue. Other municipalities generally lease the land that the tower's on, they don't usually lease tower space, so we're trying to get all that information before we actually go out with an RFP to have people attach to it.

Chairman Para stated staff's response has been proper, it's been reasonable, and it's been methodical and that's the way you should respond to these things. We should not be in a class of entrepreneurs out there who jump on things, speculate and all the rest. So I think Commissioner Allen weighed in some time ago about the safety factors. You know everybody can jump at revenue streams and all the rest but the risk factor for us as a municipal entity exponentially exceeds that of any other free enterprise effort and there were some real safety concerns. So Commissioner Allen is going to speak on this or do you want to wait until it comes up in the actual agenda item.

Commissioner Allen stated I'll wait for the actual agenda item.

Mrs. Mackay stated to Chairman Para, having opened this discussion if I may just make a suggestion with respect. These meetings are great, I come to all of them as you know but it's a little bit like talking to yourself. I think that the problems that you've touched on this evening about how do you clearly get this out into a public forum so it is appreciated and understood by the electorate is to take it to the people who represent the electorate. And what I would love to see is this Commission, either pass a resolution or go as a body with a resolution to the next City Commission meeting and ask that City Commission to endorse the actions of the Utilities Commission in pursuing this up to the FBI. You've got a great letter, you've got a great attorney, you've got right on your side, and I don't understand why nobody says so clearly. There's so much garbage talked about in town, there's so much people don't know, you've got the opportunity to say it and I would go to the City Commission and ask them for their endorsement.

(3) Public Participation (cont.):

Chairman Para stated thank you for your insights and maybe we can discuss this in closing comments.

Mrs. MacKay stated thank you for the time.

Chairman Para then asked if there was further public participation.

Mr. Tolley, a resident on Fairway Drive, addressed the Commission. He stated you know that there's such a gamut of things to discuss. He stated to Chairman Para I'm really going to miss you, I really mean that.

Chairman Para stated thank you Mr. Tolley, you'll still see me around town.

Mr. Tolley stated I hope so, but you know what I've been listening to this very quietly back there which is difficult for me. Let me first address Mrs. Mackay's statement about the investigation. You know I pushed you guys for a very long time to release the information, I drove Mr. Preston crazy over there to get it, but I got bogged down with the RFP and other private business so I dropped the ball. Then I slipped under the train literally, managed to get out of that Bert Fish Hospital over there, but I can tell you, the only thing I can tell her and tell the rest of you, I can tell you the dogs are on the hunt. The investigation is moving ahead as quickly as it can move ahead. As Commissioner Diesen said, it's going to take awhile because there's going to be numerous federal agencies involved with this, it's going to be multiple tiers of agencies involved. Mr. Preston knows what I'm talking about. So yes I was in a hurry to get to it but I had to back up and wait but it is getting taken care of, it may take us another year or two but I think we'll get a pleasant surprise one day in the paper on the T.V. when you get up one Sunday. Nobody is more impatient than me to see this happen but it is working its way through.

Mr. Tolley stated the second thing I wanted to bring to your attention, you're most probably not aware because I haven't discussed it but I have a concern that the RFP that everybody worked so hard to put together has most probably been compromised which we'll get into at another time rather than this. But I can tell you some people in powers, shall we say elected officials, are going to have an issue with this down the road as we come to the very short list, but that's okay.

Mr. Tolley stated all the changes that you guys have worked for, for so hard, are now in my opinion and I'll say it from my opinion, seem to be going out the window after I heard about the list today of potential applicants for the positions that are now presently held by Kevin Para and Jeanne Diesen.

Chairman Para interjected be nice.

Mr. Tolley stated I'm being nice, I'm just going to put aside a "Peanuts" over the front door, I'm going to have a rolling bar put up over there and we'll be right back in business. I even asked the City Clerk today why don't we extend an invitation for Ronnie to come back, that didn't go over too well. I can't understand where we're going, I think I know what's going to happen in the next couple of weeks. I personally don't want to be no part of it, you guys have worked real hard, you

(3) Public Participation (cont.):

really, really have. As Chairman Para said we now have things very transparent, things are out in the open, the books are out in the open. What are we doing going back to "Peanuts", I mean come on.

Mr. Tolley stated I put in my application for U.C. Commissioner. I think that was part of the problem slipping under the train, I don't know what drove me to that crazy point. Now I want to take it back because I can't deal with whom may possibly be up there in a couple of weeks, but then I say you know what...

Chairman Para commented what a growth experience for you, you've got to be doing this.

Mr. Tolley stated let me tell you something, that dias back there would be jumping if they ever put me in there. I don't know if I want to go there any more but I've got to play this out. But I'm going somewhere with all this, I know that there is a clear concerted effort to get rid of Bob Rodi, I know there is a clear concerted effort because I've been confronted with it and asked on numerous occasions if I would support such a move which I will not do. I've come up to this very podium and said several times no, we don't agree on a lot of things but I think we have the same goals in mind. But this undermining has got to stop, trying to get rid of him, the talk about selling the U.C., I mean that would be a joke. But all of this undermining, the 800 acres, the extension of Williamson road, the development of the industrial park, the water going back to WAV, where the heck are we going. So I'm going to ask Mr. Rodi a question tonight because I really think there's a move on that in the next couple of weeks are going to call possibly his future tenure here into question and that's really concerning me. He then stated to Mr. Rodi if I put you on the spot I'm sorry I don't mean to do this but are you under the same opinion as I did or did the train wheel kick me too many times. I mean have you felt that there has been a concerted effort all along, at least since you got here, I can't go back to before you were born, they didn't know you, to undermine yourself and the U.C.?

Mr. Rodi stated I'm going to not directly answer that question which you expected, but it seems to me that when you present plans and facts and concrete ideas that people can see, and I had them up here on the wall for over a year, I talk about them very openly, and usually those kinds of approaches generate genuine interaction. There obviously can be debate about any particular point but often times there seems to be other agenda and I've used the word here before, agitprop, and you know we saw a little bit more of it with this letter Commissioner Diesen gave me a copy of. There are a lot of other similar issues that make me wonder about why and that's about as far as I go tonight.

Mr. Tolley stated I'm going to try to get you out to play a little bit more, you know listen, that doesn't go there but if that's the way it is, it is. I got a copy of the letter that you got from FRCAC, okay I got my hands on that thing I don't know if the rest of you have seen it but it's a very interesting letter that went from FRCAC to Beck that really went after him and attacked him. That's what's also throwing this whole RFP process into a quagmire now. If you all don't have it well I'm sorry about that but Mr. Rodi I'm not going to let you slide on this one. He stated it really goes after him, it blames him for the mess with the RFP process and the outcome of the RFP process in so many words. Now what is that telling you and who is FRCAC toward you into this,

(3) Public Participation (cont.):

this all goes back to the concerted effort, this goes back to the statement I made to you folks before that there is some elected officials who have less than clean hands in the handling of this RFP short, short list that's going to come up. So who's driving this RFP forward, FRCAC and the City Commission or is it Mr. Rodi and the U.C. Commissioners. Because I submitted to the RFP and right now I'm so concerned that the whole thing's going out the window, we're going to have to back up and maybe do it again because the attack's coming after him. He added so I'm going to get you to come out and play Mr. Rodi.

Mr. Rodi then asked Mr. Tolley do you have renewables?

Mr. Tolley stated do I have renewables, you know I've got to go into my bag of marbles that are still there. So I need some help here, I need some guidance, I'm looking for a little bit more oomph from my U.C. Commissioners up there.

Chairman Para stated well I think it's wisdom on Mr. Rodi's part to steer clear of feeding into, now I'm often amused by the comment political, it's sort of like when somebody says it's not about the money and then it's always the comment it's not about the politics. So I'd like to try to keep us as insulated or isolated from that as we could during this point of discussion and focus on tangible things that we can do. I think this team, this management team, as I've said before, is doing a fantastic job. We need to continue to do that and support that, and whether I'm a Commissioner or a private citizen I will continue to support the quality leadership and management and this style of transparent authentic leadership. So with that, again, there's lots of subject matter that you have brought to the table here Mr. Tolley but I think there's a lot of loose ends yet that only time will play itself out. I don't know that we're in a position to respond right now to some of these matters that you have brought to our attention, so...

Mr. Tolley stated let me just go back at you a second, I'm not trying to be argumentative, I'm trying to be helpful, the time is not there. The election, the new Commissioner slots are coming up, and in my heart I can tell you, Commissioner Diesen I'll look you in the face, I hope you're there for the next go around, I don't see it happening. I think the plan has already been laid out, I've got to get my "Peanuts" sign out and my coasters. Do you know what that's going to do to this place if the three of you get replaced with Commissioner Hall stepping down when he is.

Chairman Para stated well I think we're getting really long into some of this stuff.

Mr. Tolley stated look at the possibility is what I'm driving at Chairman Para.

Chairman Para stated I guess I look at it, and respect this Mr. Tolley, I'm sitting up here as a Commissioner and you've got a narrow set of rails. It's not our job as Commissioners to speculate or to perform in the elected arena and their responsibilities of oversight. The elected representatives of this community clearly the Enabling Act and previous case law have the right and responsibility of oversight to this Commission and those that they choose to appoint. I do not believe as a Commissioner that it's up to me to speculate on who they might or might not replace me with. As a citizen I can do as you do, as a good citizen, pursue and follow things of interest to the Commission. Again, I think we're going really long on this but I kind of would like to get to something that you

(3) Public Participation (cont.):

would like to see that we can in fact do if there's something we can do.

Mr. Tolley stated I think I can come up with an idea, I'd like to file a complaint about all this compromising stuff that's been going on. I want to turn to Mr. Rodi and say would you sign up if I put something together and I know you've got to read it. You know that I'm going to get you, I'm going to get you to come out to play, and you know that sooner or later.

Chairman Para stated I think that Commissioner Diesen knows the Tallahassee way better than at least I do. Mr. Tolley not to give you advice but I think there's an ethics group up there, if there's a problem with an elected official on their performance, the State Ethics Board I believe are the people to go visit and discuss those things with.

Mr. Tolley stated well you know recently one of the complain files, I've got to be careful what I say here, just had a magical way of disappearing and through a lot of people's efforts, guess what it went back in again. So I don't have any faith any more Chairman Para at what's going on up there in the ethics, it's got to be something higher than that. So I'm looking at you guys to say okay, let's take a look at this. We have a federal issue, do we have a state issue, Mr. Rodi do we have a federal issue because of some of the transactions going across the state border.

Commissioner Spangler stated to Mr. Tolley the problem here is we are not a political party, we're a board. The problem, the vulnerability we have as a board is a political party can get rid of us, we could actually be replaced by the people we replaced which would be pretty amusing. But it isn't our position unfortunately to be able to stand up here and play politics, even though politics in a week or two could wipe up right off of this podium and then are we defenseless to that. I don't think that we're defenseless but I think there's a limit to what we can do as far as using this dias to make a political statement. What the job is that we've done is there for those people who know it, the people who don't want to know it aren't going to know it no matter what we say, and the only difference really is what's going to happen when all the people who really don't know what's going on. I'm not happy with what I see going on, I'm appalled by some of what I see that could be happening in the next few weeks, but I'm not certain that is the legitimate business of this board. I think once we leave here we're free to go out and say anything we want to anybody as long as we don't say it to each other right. And hopefully we've been doing that and beyond that I'm not sure exactly what we can do in the next week or two. I know what I would like to do and I know what I potentially see might happen and I would be flabbergasted as to what the reasoning would be behind that. We can only speculate right.

Mr. Tolley interjected oh it's a lot of baloney.

Commissioner Spangler stated I have had my theory for years but I'm not going to speculate politically off of this dias but I will say we need to defend ourselves against totally uninformed allegations that really are political in nature and I think Commissioner Diesen did that this evening. Other people in the audience have stood up and said we need to do that, maybe we should have done that six months or a year ago, I don't know.

(3) Public Participation (cont.):

Mr. Tolley stated did I miss something, what are you guys going to do? I heard what Commissioner Diesen said but I didn't hear the answer of how you guys are going to go back.

Commissioner Spangler stated well we can't arrest anybody, we can't go out and break any legs, but let's hope that when the new Commissioners are appointed through this vast manipulative process that's going on, that the City Commissioners over there will be of a sufficient sound mind and a majority to keep a good thing going.

Chairman Para stated very wise and succinct words have been spoken here. So wrap things up Mr. Tolley, what have you got.

Mr. Tolley stated we'll see what happens.

Chairman Para stated okay, thank you for your participation this evening, look forward to seeing you again.

Ms. Janice Baum addressed the Commission and stated many of you may know that I have worked over the last two years with a group called "Save the Charm" in our area. I have to tell you that we're still doing our little thing about trying to get historic districts designated but I've been getting a lot of email about the Utilities Commission asking me questions. I actually did pose some of those questions to Mr. Rodi and he was very gracious and provided me with a lot of information that was on the website and told me there was more information on the website. However, I am technically challenged so, and I think a lot of people, a lot of our residents are like I am, they find it difficult to navigate a website to get information. I agree with you Chairman Para that history will come back and tell the truth however, I am so afraid that if we don't do something, something strong in the next few weeks, that the history that gets written will be one that we don't want to live through.

Ms. Baum stated I would recommend, and I don't know what's legally possible to do, that you all at least put a page on your website that is easy to negotiate, that has some interaction available where people can ask Mr. Rodi questions, ask the Commissioners questions, and that those questions be answered in a format like email. I'm not talking about blogs, I'm just talking about asking a question and getting an answer. Easy access, any dummy Janice Baum can find it if she goes to the home page, it say if you have questions click here, and that would be a start.

Ms. Baum stated the other thing is once you all have put the information out there, what's going to happen in the next couple of weeks with appointments by the political process, by the democratic process is my burden and your burden. Each of you and each of you (facing the audience) if you want to see this continue, this board continue to do the work that they're doing now, need to contact your Commissioners and your Mayor and let them know what it is you want them to do. Because even though they sometimes forget they were put there to represent you. What we will be doing as "Save the Charm", we will be putting pressure on our Commissioners and letting them know what we would like for them to do on our behalf. When we don't speak up as a citizenry we leave them to make the kinds of decisions that often don't work to our benefit. So I would say let's get something on the website, something interactive, and each one of us whatever our desire is, maybe

(3) Public Participation (cont.):

there's somebody in this room that doesn't want Commissioner Diesen back on the board, but I do and I will be letting all of my Commissioners know by mail, by phone, and by email. So I would suggest that everybody, not to put the burden on you all you know because it's our responsibility.

Chairman Para stated right, you have spoken very wisely this evening and I think those are very prudent comments and statements. You know Mr. Rodi doesn't need another project because he's got lots of them and our staff is really busy. Can I propose something and maybe we can move to the next subject while we mull about this between now and the end of our meeting, we'll discuss it in other business. Again I mentioned the paper, not to point out one reporter, but possibly there could be a search done and from this point in reverse going back however long, we post links or with permission or however that is, because again they're the overseeing, objective non-opinionated eye that covers this and gives factual information. That would be to me the best thing because anything coming even that smells like it's slanted or from our perspective or whatever else is going to get foiled away into sort of an opinion type thing. So again the paper's done an excellent job and that might be our best way of providing accurate information. For us as Commissioners you know the whole thing is there on the website a link showing what the newspaper has discussed from can to can't on this subject. That might be just something to throw out there. Chairman Para then confirmed there was no further public participation and asked for any comments from the Commissioners.

Commissioner Spangler stated last comment on that is don't we have an item on the agenda where we're going to review some of the things we've accomplished.

Commissioner Diesen stated yes.

Commissioner Spangler stated aren't we going to formally, yes we'll go to that.

Chairman Para stated yes, I think so, good idea, we'll do it then so it gives us time to think about it. There being no further participation, Chairman Para closed public participation.

(4) General Manager's Report

(4-a) Financial Status June 2007:

Ms. Klinkenberg stated for the month ending June 2007 our change in net assets is a little of \$1.1 million for the combined system. The forecast reports are reflecting a \$650,000 favorable balance for the month. She then asked if there were any questions.

Chairman Para confirmed there were no questions for Ms. Klinkenberg and thanked her.

(4-b) Communications Tower – Status Update:

Mr. Rodi stated let me sort of maybe start with some reference points. The Telecommunications Act of 1996 requires that existing owners of cell towers be contacted by those who would wish to collocate or to attach to them. And then it's up to that cell tower owner to say yes or no, that's one

(4-b) Communications Tower – Status Update (cont.):

reference point. The tower that the U.C. currently owns at I-95 had I think somewhat of a winding path to how it ended up at that location. To boil it all down there was a tower that was proposed I think on the east side of I-95 if I'm recalling what I had read and eventually it ended up that Peregrine was going to put up a tower and then it ended up on the west side and then the U.C. decided to take that over; that's as I understand it in its simplicity. The tower design itself was changed, it was originally I think going to be a 100' lattice type tower and then it was changed to the 190', plus a 9' if you will lightning rod, monopole tower. We at the U.C., since I've been at the U.C. had been contacted several times about attaching to that tower and I pretty consistently, in fact very consistently said no.

Mr. Rodi stated and there recently was a constructor of towers who then pressed forward about building a tower in the New Smyrna Beach area, one of the reasons being that there weren't other towers for their normal clients to attach to. In several public meetings I explained why I had said no and we had a presentation and I put it on and there were several fundamental issues with that tower that did not make it commercially available. The most troublesome of which was the catwalk at the top. It turned out to be loose with broken and missing bolts. What really brought it to our attention was one of the other deficiencies was to repair the strobe light on the top. The City has requirements with regards to the airport that there be a strobe light, the FAA said you really don't have to have it. It's just like the City said where there is a tower that it shall have the provisions for two other attacheses. So its original purpose as a tower was to mount UHF antennas for the cable business because you have to offer that as part of the offering for cable.

Mr. Rodi stated one of the other questions that came to mind was I had referred to the engineering print and the seal of that engineering print, meaning that that engineer was attesting that the tower was sound, and the only sealed print that we had at that time was to Peregrine, Florida, not to the U.C. The other question that I had was it had a representation of antennae for cell phones that weren't there and I did not see any capacity loading that said is this tower at capacity, is it not at capacity. It had a 100 mph sustained requirement and it was built as I understand it under code F and put into operation in 2004.

Mr. Rodi stated so one of the most disturbing aspects was the ground grid and what I had done was I presented all these items. I asked for your permission to spend more money and since that time we've spent probably \$75,000 still to get this tower going. And Commissioner Allen, if not every month, every other month would say where are you on the tower, show me where you are. He would go out and look at it and we would talk about it. One of the things we recently received, signed off on July 10, 2007, was again from the same engineering firm to the Utilities Commission, City of New Smyrna Beach, a signed and sealed print with signed and sealed calculations for loadings. So what we said was well with what equipment the U.C. had up there, what capacity was this tower loaded at, and the answer, it's written right here, 72.88%. With the other arrays that were listed here and never put on, it listed 99.8%. So where we are in our process is except for the emergency generator, I don't want to spend \$100,000 on an emergency generator out there, we are about to go out with an RFP offering this tower.

Mr. Rodi stated now there's another interesting dynamic that's occurred since then, this tower constructor sued the City of New Smyrna Beach in Federal court. As I understand it the City was

(4-b) Communications Tower – Status Update (cont.):

found guilty of violating the Telecommunications Act because the way in which the regulations were written, it could not prevent the installation of that tower, they had a right to do so. Part of what the judge then had to evaluate was whether or not there's any capacity on the U.C.'s tower should it suffice for the cell phone companies. And the complication is that in January of 2006, there was a new standard, G, that came out and it essentially said that all new attachments to towers must be under the G; you could keep what you have but if you put something else up there. And the research is very confusing as to whether or not that standard now applies, our engineer says no. Also until that standard is adopted by our City for us as a municipal, not so much as a private enterprise, as a municipal, then it doesn't apply.

Mr. Rodi stated there's another aspect to this and it's a competitive one. In the course of the trial, I was asked and willingly gave an affidavit about the tower and what has or has not been done, and also we were requested to provide a copy of our engineering study. Now if the question is I want to attach something and in terms of something graphically to discuss, I can attach a Volkswagen to the base of it or a school bus on the top, so that the end outcome was that the tower as it stands may or may not meet the need requirements and if it does not then somebody is entitled to build a tower. He commented to Counselor Preston and I think I'm explaining this correctly, I'm trying to be accurate with it. We still are going out for an RFP, we've had contact by some other providers, and we'll go out there. It may be that in order to accommodate it if we want to, if it all works out and these are always negotiated items, that the tower, the monopole tower that we own may have to be guyed. Now you've seen some of them that have guys, but we're still proceeding down the road as we said we were going to. So that's sort of long winded but in light of what was said I thought I needed to provide that degree of detail.

Chairman Para stated thank you and I think we discussed, going back in my recollection, that conceivably in this RFP if a cell phone company wanted to retro-design it, that's what you just pointed out, to beef it up and to provide those things at their expense, and generators and everything else, they could make that possible. I don't know about the litigation, that's more Mr. Preston's world to help the City out but I think...

Mr. Rodi interjected that's been settled.

Chairman Para stated okay but this Commission has proven a desire to bring, and you all have and staff, to bring that tower up to standards so that then a decision could be made. But until that point, I think that's what you're making painfully clear to us tonight, that this is the step by step process that you took us through to get us through to that point where the pole has an opportunity to sustain some sort of a commercial venture. Then it's up to the RFP process to establish who that's for.

Mr. Rodi stated and that's where we are.

Chairman Para added and I think that's a good place to be.

Commissioner Diesen stated and we inherited it, that's the other point.

Commissioner Spangler stated that's my point, this is one of the inherited assets that we have that

(4-b) Communications Tower – Status Update (cont.):

we're actually probably going to be able to do something with. We've inherited expensive assets that are almost worthless too and we're dealing with it, but the tower we may actually be able to do something with it.

Commissioner Diesen stated I just want to ask for one clarification, you said the new standard is under G and that took effect January of 2006, is it the City that hasn't adopted G or is it the State of Florida?

Mr. Rodi stated well there are two things, one is the State of Florida under its building code I think has adopted that standard. When we first tried to review its applicability it was very confusing as to whether it was adopted or it would become effective in October 2008. We aren't the experts at that, but even assuming that it is applicable, the City then must then adopt in its building code this particular standard for cell towers, which I assume will be used on the new tower that's going to be constructed. And that's the old standard that was cited obviously which is EIA/TIA 222 F, that was the standard at that time when it was constructed.

Chairman Para thanked Mr. Rodi for all that explanation, as Commissioner Spangler said it's one of those inheritances that you just deal with.

Commissioner Allen stated I'd just like to make one comment and especially as Commissioner Diesen gave us this article with this bold highlight as a great error and I think the discussion that's just taken place here refutes this very much. There is a due process that we had to walk through and to take something that did not have the proper certification and the proper documentation for and as we walked through that process and have the documentation in place and we continue to move forward, the other thing is I think it is so important to remember that one of the primary points of that tower and to make sure that its operationally solid is that it could play very well into the future of our Utilities Commission and our City in the communication aspect of being able to have that inter-communication for our own use. That was one of the goals if I remember correctly as I came on here was that top deck was going to be for the City and the U.C.'s communications. And then when you think about disaster recovery and think about computers, that is an ideal area to look at and think about our data processing in the future and different aspects like that, so you know it's not a shot in the dark for that, we're walking through a due process. It's open and very transparent, it's not something done in the dark, it's not something done from the hip, it's well thought out and I thank staff for doing that.

Chairman Para asked Commissioner Diesen who is responsible for writing this article.

Commissioner Diesen stated it came from the Chamber, it's somebody by the name of Kildays (Eileen Kilday) who actually wrote it.

Chairman Para stated okay, would you all allow me this little bit of latitude here. We're going to have another meeting scheduled for later this week, please allow me to draft a letter and what I'd like to do, Ms. Simmons if you could provide the segment of the minutes tonight that pertain to this discussion. Again I'll present it to you all and if you like the letter we'll send it out and I'll just respond to this if I could, Commissioner Diesen would you mind.

(4-b) Communications Tower – Status Update (cont.):

Commissioner Diesen stated sure and probably it should go to Steve Dennis.

Chairman Para stated yes, and I'll cc the newspaper and the Chamber because again this Commission should not be a political entity and as I read this first review I've had of this document seems quite subjective, so again I'll try to address some of these concerns and present you all with a copy of the letter from my desk out to this.

(4-c) Alternative Water Harvesting Project – Status Update:

Mr. Rodi stated what I'm trying to accomplish with this item is to give you a status report as well as some references. The status report is that the St. Johns adopted into their water plan a number of alternative water harvesting projects and in, I think it was, March of 2006 we received a letter that said you must respond as to what you're going to do with your project. And the project that was on the books is located at Swoope, it's I think a \$186 million project, 15 million gallon a day. That was at that time and it was meant to provide you know that volume of water. In looking at that project there were a couple of issues, one being at Swoope, locating your alternative water supply with storm surge, those kinds of items, really raises a question. So the initial approach that we took and you've may and I hope that you do recall this, we applied to St. Johns through Dave Hoover to then shift the project to our modular project at I-95. And we've had presentations on what that project is, it's a combination of horizontal well water harvesting in the surficial aquifer. The second element is a deep well that goes down 1,100 1,200 feet assuming that the brackish water supply there may in its existing form be mixable with our irrigation water which is our primary need. The third element is during drought conditions we can put an RO out there and process from that deep well because its water quality will be relatively consistent unlike drawing from Swoope so that we can make potable water if we need to. And the initial approach is like a 2 to 4 million gallon a day unit.

Mr. Rodi stated I've also made presentations about the irrigation needs, at that time we were experiencing a build rate that was very high, like 125 units a month, and at that rate in about three years you run out of the million gallons a day that we have in essence reserve at this point. This summer we came close, and the summer is not over yet, to running out of irrigation water, so just like the year before, in 2006, we did run out of irrigation water. At that time the City golf course was taking large quantities, this year we have Venetian Bay taking large quantities.

Mr. Rodi stated I had suggested that we could use Brad Blais, which you approved, to draft some of the technical aspects and we have a world renowned geologist, Dr. Missimer, who is working with us and he is working with Mr. Blais. So the combination is now, the two entities are now working together to make the technical filing with St. Johns and we're just about ready to send that off. Hopefully out of that will also be some grant money and that's a part of this so that if you specify the project you can apply for some grant money to help promote alternative water supplies.

Mr. Rodi stated one of the important aspects of this deals with concurrency and we've been very careful to assess where we are. For example, our routine residential account consumes a little over 200 gallons per day just for person use and irrigation on the other hand can consume 600 gallons a day; so you can see the dynamic there. What's important about that is that with our new wellfield

(4-c) Alternative Water Harvesting Project – Status Update (cont.):

going in at I-95 with our newly approved CUP, that will help to take care of the potable supply however if we don't substitute with irrigation, it's going to draw down on the potable side. As a result we have stipulated that this water harvesting project is critical for purposes of meeting the concurrency requirements.

Mr. Rodi stated now the City is updating their comprehensive plan and in the comprehensive plan which I recall was last update in the mid-90's, I don't know enough about this so I think I'm accurate, there's some very old information. For example an account was referencing 300 gallons a day rather than our 200, that makes a big difference if you're looking at the projected growth areas. Likewise for the processing of the wastewater as far as the capacity of your plants and upgrading your plants. I do know that Jim White and his staff and Dave Hoover has provided a great deal of information to the planning staff and I hope they've included all of that into that document for its update. I don't know when the final update is due, I think it's in like November of 2008, somewhere in there. And of course then there's the transportation part of it and we don't have anything to do with the road issue.

Mr. Rodi stated so I wanted to comment that this is listed as a simple item, as alternative water supply I think it's very critical for our community. We have a plan, we're using proven approaches, there's nothing magic about the horizontal wells, and Port Orange is using them. We have the interconnect finally working, the automated interconnect with Port Orange on the potable side, that's finally done and working, right Mr. Hoover. And the use of both the potable and irrigation combination becomes very powerful in meeting future needs, especially the modular approach where you don't overspend. We're thinking this project's in the \$10 to \$12 million range the first part of it but then you could add other components as the City needs it.

Commissioner Diesen stated to Mr. Rodi, you mentioned brackish, was that a surprise.

Mr. Rodi stated oh no, the surficial is brackish, we know that, and the advantage of that is that clay liner that is there the water just sort of flows out into the ocean. So whatever we can harvest off the horizontal wells can be mixed, with some clean up, with our output for our irrigation water, our reuse water, and then down deep the 1,200 level it's anywhere between like 800 to maybe 2,000 but where previously it was thought to be in the 30,000, 40,000 range much like Swoope. So there's a great deal of opportunity there where that can just be blended with our existing reuse.

Chairman Para stated the only thing that really is a problem, I've had some background in dewatering systems, is if you have heavy pesticides, fertilizers and the rest which is not going to be an anticipated problem on this project, on that piece of property. That's one of the reasons for the wisdom in choosing that piece of property, so yes I think the approach is measured and reasonable and gets us to the point where we can offset. What is currently you said for 125 units, where are we now, what's the number now?

Mr. Rodi stated if you look in the summary, you'll see that the residential sales are not matching where we were in 2005 but the condo sales are running at zero, I'm talking about brand new starts. So that I don't think we're at like 30 or 40 a month all together so I think that becomes an important point as you move forward but regardless there's a great deal underway right now and we have

(4-c) Alternative Water Harvesting Project – Status Update (cont.):

needs of adding to the infrastructure that we're currently engineering and working on and that is the extension of the potable supply from our 24" to connect to the 20" that has recently been installed along S.R. 44. So there are a number of large projects underway.

Chairman Para stated right and keeping in mind too that surficial well in that region is what kept many families vibrant and healthy for the last 100 and some odd years or whatever out in Samsula so it's not bad drinking water.

Mr. Rodi stated it will have limited application during the wet season we'll be pumping.

Chairman Para asked Commissioner Spangler if he wanted to say something.

Commissioner Spangler commented yes, I'm desperate to say this, the thing that's really to me clear is that we're right at the edge of our irrigation water supply and we're talking all the time about trying to save our potable water and conserve and everything but the thing that I'm struck with is as soon as we're out of irrigation water we're going to use four times as much potable water as we've been using and that's impossible. So if we want to have drinking water without having to desal we've got to have irrigation water and we have to have it very quickly and I think that's the point of this. My question is now that we're going to start sending paperwork around to different agencies, how long is it going to be until we can augment our irrigation water supply.

Mr. Rodi stated well there are two answers to that, one is that the pace at which St. Johns incorporates that into their plan is pretty much up to them but if we get it in time for their November update I think it will go in rather quickly. The issue isn't so much that as it is timing, what we're also trying to do is learn from those others who are drilling these deep wells. Before we commit, to understand a little bit more and learn from their experience and that's why we've held up on this. There are a couple of them that are underway, some in South Florida have been in operation, our water quality is very different and we're watching just to the north of us to see how their deep well attempt works.

Commissioner Diesen asked is that Daytona Beach who's doing that.

Mr. Rodi stated yes, that's correct.

Chairman Para stated I just want to say to my colleagues here and to you Mr. Rodi, we are so blessed and so fortunate because of that leadership you gave us a while ago, and Dave Hoover and his staff, in sticking our head in that door and saying what's going on, where have we been. You know this is a product again of all those things that add up to something of significance because I can remember some very pointed conversations in our joint meeting about development issues and making sure that we had what we needed as we moved forward. Again, municipal government when it comes to a utility company, this is the way you've got to do things, you've got to do them slowly, methodically, and look towards that pipeline that's 10 years down the road because if you're not factoring that 10 year pipeline you're going to be in trouble and then you're going to pass on one of those eggs to a future Commission that they're going to have to do a bunch of back bending and struggling to accomplish the objectives. So again I commend you sir, I'm one of your biggest

(4-c) Alternative Water Harvesting Project – Status Update (cont.):

fans, so thank you for all your hard work and your insight and leadership in getting us to this point where we've got a clear good future out there for water supply because without water you're in trouble as Florida well knows.

(5) Commission Counsel's Report

Mr. Preston stated well as you can see from the agenda items it's been busy as well as discussions. If you have questions, I'll be glad to answer them but I have nothing further.

Commissioner Diesen stated I do have a question, I don't know if you're the right one to answer or not, but you know we approved Tammy Dickerson going ahead with that QDRO. Has that left our hands, have we done everything we need to do so that can be expedited for her.

Mr. Preston stated that really isn't for me to answer, I don't know if we've gotten to the point where we've revised the language.

Ms. Klinkenberg stated I've been working with Ms. Perez on this, I don't think she's here tonight. The Group sent us the QDRO that Mr. Preston approved and it's all been implemented into our plan and it's in there, I don't know for sure that Tammy's actually received the money in her hands yet but it's all in place, it's ready to go.

Commissioner Diesen stated so there's nothing left that we have to do.

Ms. Klinkenberg stated no ma'am.

Commissioner Diesen stated okay, that's what I wanted to check on, thank you.

(6) Committee Meeting Reports

There were no committee meeting reports at this point in time.

(7) Old Business

(7-a) Review of Developer Contributions to Utility Infrastructure – Proposed Resolution No. 5-07:

Mr. White commented I'll try not to make that abbreviated explanation that you keep asking for. Basically this is the infrastructure funding mechanism that we designed and implemented about this time last year in response to Senate Bill 360 and one of the requirements of that process is that it be reevaluated annually and updated with regard to costs, project needs, planned developments, and that is in the process. As this is designed it becomes effective now upon approval the 28th of September. In general, to kind of give a sense of the trends, the costs of projects tended to go upward with that breaking between facilities or location type projects and electrical projects being sharply higher and linear projects such as pipelines and some of those things being a bit lower, surprise, than had been estimated earlier. Increasing number of projects tended to slightly further

(7-a) Review of Developer Contributions to Utility Infrastructure – Proposed Resolution No. 5-07 (cont.):

diversify the costs or spread the costs so the unit tended downwards over last years numbers. Again the numbers that we land on won't be switched to until the 28th, we'll finish updating those probably on the 27th actually when the last of, we have projects getting in trying to get in under the wire for a number of reasons, and when those are in under the old numbers then we switch to the new numbers which will be updated at that moment. Questions?

Chairman Para confirmed there were no questions of Mr. White and then asked if there was a motion to approve the attached resolution regarding the amendment to the developer's agreement.

Commissioner Allen made a motion to approve the resolution attached to agenda item 7-a. regarding an Addendum to the Developer Agreement outlining developer contributions to infrastructure costs as submitted. Upon approval, this resolution was numbered 5-07 and will become effective September 28, 2007. Commissioner Hall seconded this motion and it passed unanimously on a roll call vote.

(7-b) Pole Attachment Fees and Joint Pole Use Agreement – Proposed Resolution No. 6-07:

Mr. White stated item b. is pole attachment agreement and a couple of things have led us to this position, one is the Public Service Commission's encroaching rules require us to do certain things for attachments, new attachments to poles and that is all related to the storm, wind hardening requirements that they're developing. And it requires us to do quite a bit of preparation and work before anyone attaches new materials, new lines to our poles, and we have to pass that along to those who are attaching, wishing to attach, and are already attached. To do that we had to build this new agreement that will replace the old agreement. The old agreement that we had was implemented some time in the 90's, updates the costs thereof, costs per attached pole approximately doubles what it has been which was established in the 90's. It was in the \$10 range and now, it's in here, it's about \$20, \$21, or \$22 per attachment. There are some organizations in the process of accepting, endorsing this agreement so that they can begin attaching.

Commissioner Spangler stated is this the one where we had the maintenance item, like item 9 and 10 reversed and we were going to make the change, we've done that.

Mr. Rodi stated yes.

Commissioner Spangler stated okay, thank you.

Commissioner Diesen then made a motion to approve the resolution attached to agenda item 7-b. regarding pole attachment fees and the Joint Pole Use agreement as submitted. Upon approval, this resolution was numbered 6-07 and became effective immediately upon passage. Commissioner Hall seconded this motion. After the recording secretary verbally stating the prior resolution number and this resolution number verbally for the record, Commissioner Diesen's motion passed unanimously on a roll call vote.

(7-c) Update of Formally Stated Steps and Events – Supplement to Resolution No. 2-07:

Mr. Rodi stated as you will recall back in February I had presented to you a series of step-wise events in a chronology that has been executed by this Commission. This was presented in a public meeting back in January and it was essentially capturing each of the times we talked about like strategic plans and water supplies. What I thought was important to do at this point was to update that particular item and what Ms. Simmons did late this afternoon, I was in Orlando until early this afternoon and when I came back what we did was we took the resolution part of this, and it reads exactly the same except for date updates. You know where it said February before it now says July. I did added the dates for the attachment so where you see dates that are occurring after January of 2007 those are just the additional plug ins for when we had those discussions. Then the only thing that is different on the second page as far as the events recap, aside from cleaning up some of my typing like double ands, commas in the wrong spots, those types of things without changing the intent, are the last five items on that page.

Mr. Rodi stated the first one is initiated the new potable well project, realized new CUP authorization on the U.C. I-95 area landholdings. Initiated the transition, and this is the Swoope alternate water plan, and that just captures the information that was there, and I explained in the previous item of where we are in the process. We've developed equitable, flexible infrastructure contribution payment agreements in partnership with participating developers. And I think that tonight you saw another example of that because as I think you all know each of these developments are very different. It would seem like some of them should be pretty repetitive and straight forward but they have different needs from the standpoint of their financing, their builds, what their products are going to be, so that we've worked very hard to accommodate not only the market but also what their needs are. I think this is a very significant point because we undertook this so that this burden would not be carried by the ratepayers. I don't know that Mr. White has added up all the projects at this point but we're not over \$50 million and this is a partnership approach. That's why we're seeing that sometimes the developer needs one section completed and we work with that. I just wanted to stipulate that this has been an effort to work with them and I think as they have presented themselves in front of you, you can be the judge of that. We did issue the renewable electrical energy RFP after the U.C. Supreme Court decision. I know that some of you thought I was being maybe somewhat too cautious about waiting for that decision but I really thought it was going to be pivotal and it turns out that it certainly was and now we have Governor Crist's Executive Orders mandating a number of changes to generation supply that are materially different than had previously been done. I think, as I've said before, our timing was good and our timing was bad, the bad part of this is since there will be so much demand I don't know that there are enough suppliers at this stage to deal with this. And we don't know how this is going to turn out but we were in, at least in the right pew. He stated and then the last item that I have here is completed repairs for the commercial RFP offering of the U.C.'s 2004 vintage communications tower. He stated so that's all there is to this.

Commissioner Diesen stated I see that the first item is, back when the City requested that the U.C. I-95 landholdings be sold, we took that off the excess property, and when did we see that.

Mr. Rodi stated I'm sorry.

(7-c) Update of Formally Stated Steps and Events – Supplement to Resolution No. 2-07 (cont.):

Commissioner Diesen explained the very first item at the top of page two, I know that we took that property off the excess property.

Mr. Rodi stated yes, it has not been available but I started with that because that item was a reference about the use of that land, and what these items start to represent is that now there's a very important use for it, basically for water, and it's probably going to be very critical for our future.

Commissioner Diesen stated but we took formal action on that as I recall.

Mr. Rodi stated yes.

Commissioner Diesen stated I mean it's sitting there and I don't see the opposite, but no this is outstanding.

Commissioner Spangler stated I thought we took formal action on that land four or five times the first six months I was here, it just kept coming up for some reason or another.

Commissioner Diesen interjected I've got news for you.

Commissioner Spangler stated but one thing I'd like to say about this because this is sort of feeding into you know what have we been doing, this business of spending money on studies, there's a lot of state regulation that sort of says that's the way a utility's suppose to set itself up to spend it money. It should have a plan, that plan should be studied and I think we're sort of complying with a lot of what the state thinks a utility should do but more important than that is we may have spent \$500,000 or \$600,000 on studies and that's a lot of money and I don't know if you heard what Mr. Rodi said but the developers are going to pay \$40 or \$50 million that the ratepayers were going to pay and it's because they agree with our studies among other things. We also accomplished another huge financial item in that we're not burdened with \$40 plus million worth of water expenses that we were going to have to pay over a period of years including buying back our own water. So now we're on the edge of having all our water supplies without spending that \$40 million. He stated \$40 million and \$40 or \$50 million for a half million dollars worth of studies, boy that's wonderful and I don't mind saying it.

Chairman Para commented good investment.

Commissioner Diesen stated well and we hadn't had an infrastructure study done or a rate study done in what 14 years or something, and we're up to date in Kansas City.

Chairman Para stated well you know I have to say something.

Commissioner Diesen stated we're not finished by a long shot.

Chairman Para stated well continue.

Commissioner Diesen no, go ahead, I'll jump in later.

(7-c) Update of Formally Stated Steps and Events – Supplement to Resolution No. 2-07 (cont.):

Chairman Para stated on the development of equitable flexible infrastructure, well actually the last one, issued renewable electrical energy RFP, this Commission has been actively pursuing this and I think the trouble we run into, Mr. Tolley brought it to our attention, is that our RFP is geared more towards a conventional power supplier, if somebody were in a traditional trenches. I know it's hybrid and I know that you all have worked very hard, please understand I'm not saying that it wasn't, but this whole new arena is moving so rapidly and changing diametrically that it's going to be very difficult I think for utility companies. It's the old supply and demand and you've got way too much demand out there and very little supply of companies with established track record because prior to the Supreme Court decision and some of the other initiatives, it's sort of like a pile on. Prior to that there really wasn't the impetus here locally and nationally to really get behind this and make this happen. So it really is a great place to be at this point and I think that action does probably need to be taken shortly in addressing the RFP, I know we'll probably get an update, but I don't know that many people applied for that or supplied interest in that. I was kind of hoping for more interest but nonetheless I think we're going to end up having to modify our structure and end up having to develop more working relationships as opposed to a conventional, we're the company, you submit the proposal, we'll make sure you've got the economics to make it happen, and maybe a partnership of sorts, or again more of a negotiated or request to negotiate type RTN would be more appropriate. But that's for future groups and minds and discussions, I'm not trying to get into all that but I am saying that along with water we've got to have energy and that energy has got to be renewable. It clearly now is becoming more of a mandate as opposed to the right thing to do. I'm glad that we're doing it and I think more and good things are needing to be done in the future.

Commissioner Diesen stated just to jump in here for a minute, it's my understanding because of the R&D section in our RFP, we didn't close the door on anybody.

Mr. Rodi stated no, and the focus of that particular RFP was exclusively renewable and I think that's part of maybe, folks that are use to gas CT's and you know responding in that way, might have a difficult time with our RFP.

Chairman Para stated yes and rightfully so, we went down that road and realized that we didn't want to build ourselves out on a one-way bridge and end up with the CT units and stuff so. Okay, further discussion Commissioner Diesen.

Commissioner Diesen stated yes, I think this is a fine document and it attests to what has happened with this Commission under Mr. Rodi's leadership and I would like to make a motion that this stand as a current evaluation for his leadership abilities. She reiterated and that's in the form of a motion.

Chairman Para asked is there a second?

Commissioner Spangler stated I'll sure second that.

There being no discussion, Commissioner Diesen's previous motion then passed unanimously on a roll call vote.

Commissioner Diesen then commented to Mr. Rodi, consider yourself evaluated.

(7-c) Update of Formally Stated Steps and Events – Supplement to Resolution No. 2-07 (cont.):

Mr. Preston stated may I make just one post vote comment then, Mr. Rodi has been innovative and a leader in the entire state in regards to the developers contributions to infrastructure development and as such I believe has been and established this community as a model for others throughout the state and just want to recognize him for that.

Commissioner Diesen thanked Mr. Preston for his comments and those in attendance applauded Mr. Rodi's accomplishments.

Mr. Rodi stated thank you and then requested a motion on the resolution.

Chairman Para stated yes, there's a motion that needs to be made on this aside from yours Commissioner Diesen.

Commissioner Diesen then made a motion to accept this resolution, to approve the resolution updating the steps and events taken by the Utilities Commission during the time period of July 2005 to July 2007. Commissioner Allen seconded this motion which passed unanimously on a roll call vote. This resolution was numbered 7-07 and became effective immediately upon passage.

(7-d) Quit Claim Deed – Clearing of Title:

Mr. Preston stated the explanation in the summary is fairly clear but what had happened was that there was a parcel of property that had been conveyed by the Florida East Coast Railway to a land owner, the Cortez Development. Subsequent to that the Utilities Commission, by eminent domain took a parcel of property, actually it was the railway piece itself. In that process it did not provide notice, nor did it acquire that one parcel that had been previously conveyed to Mr. Cortez, his development company. The property that was owned by Mr. Cortez has recently been sold and the attorney closing that wanted to clarify any ambiguity in regards to the ownership of that parcel and wanted us to quit claim any interests we had. For legal purposes we had no interests, during the process of this however we acquired an interest in that we acquired an easement, an underground easement for any particular use that we may have. There is an existing piping structure there now that we can use, so as a result we have a quit claim deed with the reservation of that easement.

Commissioner Spangler stated I have a question, just curiosity, it says here there shall be no right of entry to said water main from above referenced property. Does that mean we can't touch it, we can't dig down and fix it, what does that mean.

Mr. Preston stated that basically means that we can run them from either side of it, and that is what that means, is basically that we can shoot a line through it if we want to and use that piping.

Commissioner Spangler stated wow, okay, thank you.

Commissioner Allen then made a motion to approve the execution of the quit claim deed for Terry Harrison as submitted and authorization for the General Manager/CEO to execute the deed on behalf of the Utilities Commission. Commissioner Diesen seconded this motion which then passed unanimously on a roll call vote.

(7-e) Update RE: Southeast Interchange Complex LLC Developer's Agreement and Addendum:

This item was moved up on the agenda under item 1. Agenda Changes, Additions and Deletions and considered after agenda item 2. Approval of Consent Items.

(8) New Business

(8-a) Customer Service Policy Review - Additions to Guidelines for Customer Deposits:

Ms. Klinkenberg stated at about two meetings ago it came up and I believe it was Commissioner Hall that requested that we bring something formally to the Commission to let you see what we're doing, how we administer the policies and procedures of the Customer Service Division. I think a lot of it had to do with the customers that were coming before us too. I wanted to first call your attention to the timeline that I put in there because I think key to a lot of the complaints is the double the deposit required once you've defaulted on your account. And in the timeline it shows that from the time we bill a customer and then all the courtesies we do give them they've consumed two full months of either water, electric, wastewater; two full months before we cut them off, going into the third. Unfortunately we have had a history of a lot of people skipping on us at that point so that's why when a customer does default that's why we require their deposits be double of their average consumption. Prior to defaulting we have standards for normal deposits that range anywhere from zero to \$290. We don't usually do the zeros unless they're excellent customers, I have my Customer Service Manager nodding to me over there. We do run a credit check that's through a utility only, it's not a full credit check, I forget the name of the company, it's a company that we subscribe to and it tells us what the customer's history is with just other utilities. Depending on the score that comes up with that, that determines how much of a deposit that the customer is required.

Ms. Klinkenberg stated some of the changes that we've already made to the procedure, we haven't changed any policy but we've changed some of the procedure of how we administer the policy, since the beginning of this fiscal year we use to cut out for non-pay, they'd put the hang notice on your door around noon time and you were cut out the next day by noon. We realized that was a little difficult, if I was in that situation would I be able to get out of work and get there and pay that bill before noon or you're going to cut me off. So we decided to extend that period of time from 24 hours to two days, so it goes to 48 hours, and if they call us, they can't make it by noon, we do extend it to 5:00 p.m. when we close.

Ms. Klinkenberg stated we've also started, use to be when you got disconnected and you had to pay to get reconnected, you had to pay the double your average use, you had to pay all your past due amount plus your current balance, and that's stuff you haven't received you bill on yet but it's accumulated there and we would make you pay every bit of it up front. We thought that didn't seem fair either and to alleviate some of the stress on the customers already having a difficult time paying their bill, we'll only have them pay their past due balance and the additional deposit. We've even extended some customers who have a good history with us, a little more time to pay that additional deposit.

(8-a) Customer Service Policy Review - Additions to Guidelines for Customer Deposits (cont.):

Ms. Klinkenberg stated so that's some of the things we've already done and one other thing we did too is we do and I'm not sure if we always did this before or not, we do watch the weather. If it's an extreme heat or extreme cold we do not disconnect, a private industry I don't think would really care but we do not disconnect for that. We also stopped doing disconnects on Friday because if you disconnect on Friday you have no way of getting anything turned back on until Monday. So those are a lot of things that we've put in trying to be a little more customer friendly and these have all gone into effect as of I believe starting in last October or November. We started a little bit at a time looking at different things and we're watching to see what the impact is on the customer as well as on the U.C. because we have to monitor what our bad debt is, we don't want that to get out of hand. We are already a little higher than the industry average but it's not that bad yet, I do monitor it every month and we'll watch that.

Ms. Klinkenberg stated we're proposing a couple of changes with your approval to help the customers again, give them more time to pay their deposit. If a customer is a really good customer, because I think that's happened a couple of times, we've had citizens come here and say I got cut off, I'm having a difficult time, I've been very sick, I've been in the hospital. Sometimes that's very true and our policy doesn't allow for that so I'd like to have some kind of ability to look at their account, they've never had a cut out before, they've never had late fees, you know they're excellent customers, and extend them a little more courtesy than we would a customer who's habitually late. I think that might give us a little more flexibility with this; any questions.

Ms. Klinkenberg then stated I forgot one other thing, just before the Commission meeting I handed each of you a 2006 APPA customer service policy survey and I wanted to call your attention to items number four through ten which all have to do with customers' deposits. It's just kind of something that APPA did and I don't think we're really out of line with what we do and how we do our policies; it's just for Florida.

Chairman Para stated to Ms. Klinkenberg splendid job this is good stuff and you're talking about this change, a policy change, is this is in this motion for you sufficient.

Ms. Klinkenberg stated yes, I don't believe it's actually a policy change, in my opinion I think it's more of a procedural change.

Chairman Para stated okay, so you just want us to be aware of it and included in the motion if the motion succeeds tonight you will have sort of a blessing to go forward with that.

Ms. Klinkenberg stated right.

Commissioner Diesen stated I'd like to ask you a question, this is very good information, now does each person who deals in customer service do they have a loose leaf notebook that has all of this in it and then every time there is a change there is like a new sheet goes in with the history at the bottom, the date change and everything. So that they're not having to go to the computer or have a bunch of emails or notes, there's somewhat of a training manual that keeps up to date.

Ms. Klinkenberg stated it would be updated, we have a Customer Service booklet that each of the

(8-a) Customer Service Policy Review - Additions to Guidelines for Customer Deposits (cont.):

girls have and all the customers can have it too. The policy that we follow and the procedures that we follow in house are open to the public and they're given that when they sign up an account so that will be updated with the information in it and they will be aware of it. All the reps. will have it I'm sure, Danielle Wood is nodding her head. They'll probably do a training at their next staff meeting to make sure that everybody's on board and everyone's present, we do the staff meetings at 7:00 am before our doors every open to make sure that all cashiers and customer service representatives are present.

Commissioner Diesen stated that's good, I'm sure there must be a thick book somewhere because there's no way you could be expected to remember all that when a customer has some sort of a little nuance and question that I'm sure there's an adequate manual that they can refer to.

Ms. Klinkenberg stated and then they can go up, there's three levels of escalation that even the Customer Service Reps. can go, when she's not sure there's a Supervisor, and then there's another Supervisor and a Manager so they can go all that way or to me if they're unsure of some different situation and they want to get approval.

Commissioner Diesen stated and I'm assuming you always, you have an open door policy.

Ms. Klinkenberg stated always.

Chairman Para stated I wish to say to you and to your staff and these folks out there, what I've seen is par excellence, very professional, very courteous. I had a customer today as a matter of fact contact me and Ms. Simmons got back with me in 30 minutes or less with an explanation and the confidence that customer was reassured that his concerns would be addressed. So given that we have what some 20,000 customers I think that you all are to be commended with the staff levels that we're able to provide you with and you all for doing the great job that you do because I know that you get customers that sometimes are carrying a lot of emotional baggage and you almost have to be like a therapy person at the same time so thank you for manning those phones and taking those calls. We get them occasionally but you almost probably have to deal with them daily. Thank you for the hard work and let everyone else know that we appreciate that as Commissioners, you make our job easier. So with that is there a motion.

Commissioner Hall then made a motion approving and adopting the proposed additions to Guidelines for Customer Deposits and keep all other policies and procedures in place. Finance will continue to monitor bad debt expense to maintain acceptable levels. Commissioner Allen seconded this motion.

Commissioner Allen stated he wanted to make one comment, as Ms. Klinkenberg and staff have looked at improving on interacting with our customers, I think over the years we have done very good and we continue to get better. The one thing is that I find kind of disheartening on my part is I get half the story many times and you try to work with folks and I've dealt with several folks in this year that I've been here and worked with folks and when you get the full story and try to work with them and so often there is a lot of emotion involved in that and I commend you all for dealing with those emotions and trying to do your very best at that.

(8-a) Customer Service Policy Review - Additions to Guidelines for Customer Deposits (cont.):

Ms. Klinkenberg stated I have an incredible staff.

Chairman Para interjected and it shows.

Ms. Klinkenberg added and I do not know how they do it, every time I have to deal with a customer I come out of there thinking I don't know how they do this on a daily basis, they're just wonderful.

There being no further discussion, Commissioner Hall's previous motion then passed unanimously on a roll call vote.

(9) Possible Other Business – Time for Commissioners:

Mr. Rodi stated I have an information item, we are still negotiating with Local 2088, hopefully we will conclude this week. I think we have everything pretty well concluded and tomorrow should do it so I just wanted to make you aware. As we proceeded early on in the negotiations, if you think back when we put our budget together, we had just been on the preliminaries as far as opening and all of that, so we tried to accommodate as best we could the range of some of the demands and obviously we worked our way through some of those things. So I just wanted to make you aware of that's where we are, it's just an information update.

Commissioner Spangler stated there is a problem with this pay situation and tight money and everything and fortunately we don't have to rely on taxes but I have some concern when we start talking about the Union that we're going to be able to retain these highly trained people. How are we doing retaining the people that we have that we really need out there.

Mr. Rodi stated well as I've said previously we're blessed, and I'm not pandering here, we really are blessed with wonderful employees. They really have a focus upon trying to do the right thing and part of what we've experienced as we've watched what's happened over a long time is that there's been a lagging on what's happened from a pay scale standpoint. Even from the standpoint of benefits, last year you were gracious enough to really address the benefits package. You heard the head of the Union request that when we got to that point we take a serious look at it, we did, you did. Commissioner Diesen has asked in the past what kind of turn over do you have and it depends upon the area that you're in but one of the critical areas is the line organization, Ray Mitchum's organization. He's been over the last three years, depending on how you count, 40% to 50%, that's a bad number. Part of what we deal with, we just lost a groundman who went to work for Pike if I recall correctly.

Mr. Mitchum commented he was still working on that one.

Mr. Rodi stated oh you're still negotiating, okay, but what happens is you know we're dealing with like a \$3.00 an hour differential, that's a lot. On top of it, a lot of the line crews, and I'm just using them as an example, did not have basic safety equipment that they should have had. So why I bring this up is we have some very difficult issues to work through coming forward. Tim Beyrle for example has had all of his operators certified for the transmission system as far as NERC is concerned. There are many new requirements and some of the penalties are like a million dollars a

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

day, we're not talking about little things. With the PSC storm hardening requirements, Jim White lost one engineer, essentially we're having to redo all of our standards. Ray Mitchum has lost two employees just to go around and do inspections, let alone the work that he's finding from the inspections. Simple example, and I need to say this because it's a testimony to the employees again and I can say the same thing about the water employees, they're wonderful, and whether it's water or wastewater, they're good folks. But we have a pole to change, and I won't say where but before we could just change the pole and the particular pole is difficult enough, it's called a corner pole and it just essentially means that you have a line and you have a 90 degree line coming off of that. Well now, rather than changing that one pole, we have three poles involved, we have to change that pole, we have to set an intermediate pole and then replace another pole just because of the differences in wind loadings. So the engineer has spent all kinds of time trying to figure out well what kind of pole do you use at this location and do we need to put a steel pole in there because a concrete pole isn't going to be strong enough or do we put these other poles in there to make up for it. So those kinds of things, it's just like when we talk about putting in a new water line, and I've said this before, the engineers are on fire. You don't see it because what could there be going on out there, the housing starts aren't there, but if you're putting in any of this new infrastructure, let alone replacing some of the others, it has to start with the engineers and then after they get to the point where they think they have something workable, they go to the field and say is this going to work.

Mr. Rodi stated so this is the kind of thing, and then the employees are the ones who really make the difference, it isn't me, it isn't me, it's them, they care deeply about the community. So I have stood with them and I continue to stand with them about being equitable. And so that's, you know I'm not trying to be preachy but I think that they watched all this stuff go on before with the telco, that's gone, now they're trying to get basic things, trucks, tools, equipment, and play catch up some with the wages.

Commissioner Spangler stated we don't have any unfunded pension liabilities do we.

Ms. Klinkenberg and Mr. Rodi answered no.

Commissioner Spangler stated no, good.

Mr. Rodi stated and we're on a defined contribution plan, we are not on a defined benefit plan so that's a big deal, it's a big deal. It's just like our employees they don't get their health care benefits paid fully for their family until they've been here for 25 years, others do it right away, right off the bat. So that's something that you did last year and it drives our benefit costs up.

Commissioner Allen then stated I have a question on the seeding how did it go.

Mr. Rodi stated well I think they all planted, I keep looking for sprouts but I don't see any yet.

Commissioner Allen stated the other thing I had talked to Mr. Rodi, called him one day, I was just thinking about wind power and stuff so I had a little conversation with him and just said that there was some discussion here that we didn't need any of them terrible looking things in the air around

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

here but you know you look at you think about technology and as it moves forward and I told him that I just did not see any problem with having a little wind power now and then, along with some other green resources. So I would just not throw anything just away.

Chairman Para stated hear, hear, and then added I promised not to comment.

Commissioner Diesen stated there's a new house going in, kind of a rebuild, down the street from me and it's got a windmill on top, that's in the sketch that's in the little box I go by every day and look at. She then stated we were going to discuss further I thought at the end of the meeting if we wanted to do anything further or ask for any support from the City Commission. Did that just go right by and we just decided not to do that?

Mr. Rodi stated no, this is the time.

Commissioner Spangler stated we were hoping that they would exercise good judgment and not give us problems but you know there's just, it's a question do we have to toot our own horn or are we going to get some cooperation on this and there's a lot of different methods that we could use. We could talk about the problems that we think we solved and we could send them a copy of Mr. Preston's FBI report. We could take this list of things that we've just endorsed here that we've accomplished and we could send that across the street and say here's what we've done, how about saying thank you in some way. I don't know how we would do that but it would sort of you know...

Commissioner Diesen stated I thought we were talking more in terms of asking them for a resolution of support as we try to move forward up the chain, the federal chain; did I miss something totally.

Commissioner Spangler stated be clear, be clear, make a resolution.

Commissioner Diesen stated well the City has never given us any resolution or any visible or verbal support as we've moved forward on this and I wondered if it was appropriate that we ask for that. Seems to me like it's in everybody's best interests and I've always been puzzled by the fact that it never did seem to be as important perhaps there as it was here and yet we're all one and I always thought we were working together; maybe I've been misled or misguided or misunderstood.

Chairman Para stated well maybe Commissioner Diesen at the joint meeting that you all have got coming up that would be something because again we can only talk on one side of the street here so if we're looking to get a resolution from City Commission maybe that would be the place to discuss that and that way they can answer at that point. I'm not taking an opposite view, I'm just taking...

Commissioner Diesen stated yes you are because you know you're not going to be here, and I may not either at that point.

Chairman Para stated okay, well I'm just thinking, is that plausible, would that be something. He then asked if there was anything else.

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

Commissioner Diesen stated nope, and added to Chairman Para I've enjoyed serving with you for three years, we may both be out and about next week.

Chairman Para then asked Commissioner Hall for his comments.

Commissioner Hall stated no comments except to thank Ms. Klinkenberg for the survey and the work, thank you.

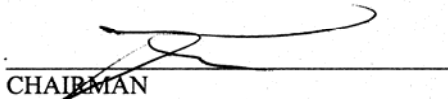
Ms. Klinkenberg stated you're welcome, hope it helps.

Commissioner Hall stated to Commissioner Diesen I think your idea about facing the City Commission and asking tough questions is the best way to go at this point.

Chairman Para stated very good, and just in closing I want to thank Mr. Rodi, you have been kind, generous and at times patient and it's been a pleasure serving with you. He stated to Ms. Klinkenberg you've given good accurate information, been a pleasure serving with you. Counselor Preston, you've given good counsel and to my colleagues thank you very much, it's been an honor and a distinction to be a part of this vital organization, enjoyed serving here. And Ms. Simmons I'd have to say to you because you have made a genuine ladies work out of something that at times could have been very messy with three different CEO's over this period of time, you're gracious, you're professional, and a good lady. With that I guess we stand adjourned.

There being no further business to come before the Commission, Chairman Para closed the regular U.C. meeting at 8:05 p.m.

APPROVED:


CHAIRMAN

ATTEST:


SECRETARY-TREASURER

These minutes were formally approved by the Utilities Commission at their August 24, 2007 meeting. (Special UC Meeting)