

AGENDA ITEM 2-a

MINUTES OF JOINT WORKSHOP BETWEEN THE CITY COMMISSION AND THE UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA, HELD THURSDAY, JANUARY 24, 2008 AT 6:00 P.M., AT 200 CANAL STREET, NEW SMYRNA BEACH, FLORIDA

Prior to the commencement of the joint workshop, Mayor Mackay swore in the newly appointed Utilities Commissioner, William H. Reynolds (loyalty oath). Mr. Reynolds was appointed by the City Commission during their regular City Commission meeting held January 22, 2008.

Mayor Mackay then welcomed all to the workshop and called this joint workshop of the City Commission and the Utilities Commission to order. She requested the City Clerk to call the roll for the City Commission and the Utilities Commission. All of the City Commissioners were present as follows:

Mayor Sally Mackay
Vice Mayor Randal Richenberg
City Commissioner J.S. Grasty
City Commissioner James Hathaway
City Commissioner Lynne Plaskett

A majority of the Utilities Commissioners were present as follows:

Chairman Walter Allen
UC Commissioner Jeanne Diesen
UC Commissioner William Hall
UC Commissioner William Reynolds
UC Commissioner Oscar Zeller

Others in attendance during the meeting were as follows: R. Rodi, General Manager/ CEO; J. Hagood, City Manager; M. Rakowski, City Development Services Director; L. Klinkenberg, Director of Finance; T. Beyrle, Director of System Operations & Generation; D. Hoover, Director of Water/ Wastewater; J. White, Director of Engineering; R. Lemoine, Director of I.T.; P. Perez, Director of H.R.; E. Mahle, Public Information Manager; J. Lowry, City Clerk; D. Simmons, Executive Administrator/ Recording Secretary; F. Gummey, City Attorney; B. Preston, Interim U.C. Legal Counsel; Melanie Stawicki-Azam, Reporter for the NEWS JOURNAL; Bob Tolley, Richard Spangler, and two unidentified women and one man, members of the public.

1. Scheduling of Quarterly Joint Workshops Between the City Commission and the Utilities Commission:

Mayor Mackay stated I have a good mind to hand it over to you Mr. Rodi because you've been gracious enough to give us your agenda. I'd just like to hop in first and have a little introduction. The first thing that you have on the agenda is the scheduling of quarterly joint workshops and I just want to say, from my point of view, these workshops are for the two Commissions to come together, to work together, to communicate and to express any concerns, urgencies, or problems before they become entrenched. And from my point of view, I would love to lose the phrase "across the road" which we hear and which has a little edge to it. Because as far as I am concerned, we are not across the road, we are one City, we are working together, and we are working to the benefit of the people who elect us and pay our salaries which are the ratepayers and the citizens. We are working to be efficient and cooperative and do the very best job we can, and I know that's what the Utilities Commission stands for as well. So, I for one, really welcome this quarterly proposal; so over to you Mr. Rodi.

1. Scheduling of Quarterly Joint Workshops Between the City Commission and the Utilities Commission (cont.):

Mr. Rodi stated first let me begin, the documents that you have should include a calendar for each month and if you look at it, it's what has been scheduled with regard to this room. So it's meant to facilitate what dates are available, with everyone's schedules and what has already been booked to this point. You should also have information about the topics that were last presented by both the City Commission and the Utilities Commission for a starting point. And obviously, I would suggest that you may want to look at schedules first, and however you want to proceed with picking dates. Then out of the topics, whether or not those are the ones you want or want different ones, and then after selecting those it may be important as to what order you would like to address those. Short of that, I'm just going to leave it to the two Commissions and answer questions as I need to answer questions.

Mayor Mackay stated great and then asked UC Chairman Allen if he would like to start.

UC Chairman Allen asked are we going to look at scheduling first?

Mayor Mackay stated it's your call, we can look at scheduling, sure, let's do that. I was looking at the topics here and you were on the top. So today being January, if we go April. Anybody have any suggestions.

City Commissioner Hathaway stated it looks like April 3rd is available for this building.

UC Chairman Allen stated April 3rd and the 24th.

UC Commissioner Diesen stated on the 24th is an Internet meeting.

City Commissioner Richenberg stated I'm looking at the days of the week and it looks like Wednesday is a heavy use day for the use of this room, pretty much year long. Tuesday looks like a 3/4 book for the month, Monday looks like 50% plus, Thursday looks like 1/2 to 3/4, and Friday looks fairly open. In all honesty, Friday looks like the most open day overall.

UC Commissioner Diesen commented there's a reason for that.

City Commissioner Hathaway nobody wants to meet or go to a meeting on Friday.

City Commissioner Richenberg stated nobody wants to meet on Friday but it looks like we're getting pushed that way.

City Commissioner Plaskett stated so do you want to take it every quarter. So since Thursday April 3rd is open, let's see what the next quarter for that Thursday is, the first Thursday of that month.

City Commissioner Hathaway stated we don't usually meet in July, the City Commission doesn't meet in July; so maybe we want to factor that in as well Mayor.

Mayor Mackay stated okay.

Mr. Hagood stated maybe look toward the end of June.

1. Scheduling of Quarterly Joint Workshops Between the City Commission and the Utilities Commission (cont.):

Mayor Mackay stated are we looking at Thursday's, Commissioner Richenberg?

City Commissioner Richenberg stated I was just looking at days that have the lowest load of meetings on them for this room during the course of the month, and there's really not open days with the exception of Monday and Friday.

Mayor Mackay stated we've got Thursday the 5th of June open.

Mr. Hagood stated on the 19th of June it's a morning meeting, so this would be in the evening, so we could look at the 19th of June even, to get toward the end of June.

City Commissioner Richenberg stated that would give us close to three months.

Mr. Hagood stated yes, pretty close to a three month period.

UC Chairman Allen interjected works for me.

City Commissioner Plaskett stated then the next one would be September.

Mayor Mackay stated okay, backing up, what have we done?

UC Commissioner Diesen and a couple of others simultaneously stated 3rd of April and the 19th of June.

Mr. Rodi commented I'm presuming 6:00 or 7:00 p.m.

City Commissioner Plaskett and Mayor Mackay stated 6:00 p.m. is good.

Mayor Mackay stated 6:00 p.m. is good and then we can all be home by 7:30 p.m. or so hopefully. Mayor Mackay then stated September 12th?

UC Commissioner Diesen commented Friday?

Mayor Mackay stated oh, sorry.

City Commissioner Hathaway stated you've got the 18th if the Personnel Board is through by 6:00 p.m., they usually are, they wouldn't be in there that long.

Mr. Hagood stated that's at the end of September and you're doing a lot of meetings right then, it may be, if you want to move it on in to October, maybe October 16th because you've got all your budget works going on at the end of September and the start out of the new year.

Mayor Mackay stated well again we've got an 8:30 a.m. in the morning, Board of Adjustments, but that's no problem. How about October 16th then?

UC Chairman Allen stated that sounds great.

1. Scheduling of Quarterly Joint Workshops Between the City Commission and the Utilities Commission (cont.):

City Commissioner Richenberg stated including this meeting that's four for the year. Wouldn't it be, three potentially scheduled and then this meeting this month, that would be four for the year so that would give us our quarterly meetings.

UC Commissioner Diesen stated then we can start the schedule again in October.

City Commissioner Richenberg stated that way we can get a little bit of a jump on it.

UC Chairman Allen confirmed it April 3rd, not 2nd.

City Commissioner Plaskett stated we've got April 3rd, June 19th, and October 16th.

After a couple of other comments regarding the schedule, Mayor Mackay stated okay, moving on, let's talk about the joint workshop topics.

2. Prioritization of Joint Workshop Topics:

Mayor Mackay stated we've got UC Chairman Allen who wishes to publicly affirm the U.C. going in the right direction regarding the \$10 million improvements to the system recommended by engineering firm and length of benefit of improvement more than 20 years, and status of upgrading in the electrical system, 230 KV transmission system. UC Commissioner Hall wants to talk about the U.C.'s plans for conservation, lowering of rates - comparison to similar systems, renewable projects information. UC Commissioner Diesen wants to talk about water and reiterate U.C.'s strategic plans, goals, and the results of same; the strategic plan is the U.C.'s roadmap and tentative schedule. UC Commissioner Zeller has got retain control of Swoope Power Plant for water and/or generation of renewable energy, and retaining ownership of U.C. acreage west of town for utility purposes - buffer and/or power plant. And then put forth by Chairman Spangler, who has resigned, was the City and UC staff cooperation and communication. Mayor Mackay commented it seems to me we could take a year to talk about all that.

UC Commissioner Hall stated he would like to ask a question, wasn't the idea to prioritize this list? If I can make a suggestion, what former UC Chairman Spangler wrote down is where we should put our first emphasis; and you said it Mayor, communication with the City and UC staff.

City Commissioner Plaskett commented she and the audience couldn't hear UC Commissioner Hall's comments.

UC Commissioner Hall moved a microphone closer and reiterated that he thought what former Chairman Spangler's topic should be our first priority and that is City and UC staff, communication and cooperation. And you said it earlier Mayor, hopefully we can get beyond this the "other side of the street" stuff.

Mayor Mackay stated yes, come up with another phrase.

UC Commissioner Diesen commented and we're doing that, we're enacting it as we speak.

Mayor Mackay stated good.

2. Prioritization of Joint Workshop Topics (cont.):

UC Commissioner Diesen added so we don't need to talk about it do we as a topic for our quarterly meetings; maybe we do.

Mayor Mackay stated oh no, I was just giving an intro., I was just saying let's use these workshops to do just that Commissioner, just like you're saying.

UC Commissioner Diesen stated right.

Mayor Mackay stated let's move into it, so I mean I don't want to chair this, let's just workshop this; you've got the lists all of you in front of you.

Mr. Rodi requested to interject, there were also items that had been on the agenda previously and those are on page two and you may want to go over those and see if those are still current and topics you would want to address as well. It's labeled previous joint workshop topics. I think this was an amalgam list of each of the Commissioners at that time.

UC Commissioner Diesen stated the first two I think we've been doing something about; conservation and certainly with the workshops that we've had and Ellen Mahle put together, I think we're moving in that direction.

City Commissioner Grasty stated and I agree with you and this is what I brought these for (UC bill inserts and distributed information), this is very good to go out to all the citizens. Also your letter on the water testing people (and energy audit) that were sort of representing the utilities that wasn't.

UC Commissioner Diesen stated yes.

City Commissioner Grasty commented this is very good.

UC Commissioner Diesen stated and the energy audits (offered and performed by the U.C.), I think have been successful haven't they.

Mr. Rodi stated yes.

City Commissioner Richenberg made a suggestion to get a feel for the City and U.C. staff cooperation and communication from the CEO of the U.C. and the City Manager of New Smyrna and just kind of get a feel for what their view is how communication is happening between, so we can kind of get past that "street".

Mr. Hagood stated I personally think it's vastly improved. We just had a meeting, I think you've all heard about the issue concerning the additional easements on S.R. 44 and things of that nature. We just met last week with the staff of the U.C. and I think we're kind of heading down a path. You know not everybody's going to get everything they want but I think we've come up with or are looking at a plan that will kind of be somewhere in the middle that will accommodate the U.C., accommodate the City, and I think it was just you had to sit there and talk about it. I think that actually started some months back, you know I saw some emails from Jim White with the utilities over to Mark Rakowski. When it first

2. Prioritization of Joint Workshop Topics (cont.):

began it was we've got this 25 ft. area and you know we need it, and I think they started even before Mr. Rodi and I got into it, they started talking about it and trying to work out a plan that would kind of solve some of the issues, and try to understand both parties' issues of what we're trying to accomplish. I know our personnel officer, Carol Hargy, is talking to the utilities routinely about using their training personnel and things like that. We just found out, one of our people, just found out about a piece of IT equipment that the U.C. had sitting over here, you know they just, all of a sudden, I don't know how exactly it came about. They saw it sitting in a back room, they cleaned it up and next thing you know it's over at our office. So I think some of those issues, I think sometimes there was a perception that there's a certain divide that I don't think was really there. So, I know that the communication and the issues are getting worked out and it's getting worked out at the staff level. I think it needs to start up at the top level and work down and I think that is happening. I really don't see some of the issues that some people believe but we'll make sure that we keep talking just to alleviate any perception that there is an issue of one side of the street or the other.

City Commissioner Richenberg then asked Mr. Rodi for his comments.

Mr. Rodi stated I think what's starting to happen over the last six months that Kathy Eichlinger and Laurie Klinkenberg (City and UC Finance Departments) have been talking routinely. What we've been trying to do is on the H.R. area, the financial area, the engineering design area, we're trying to build supportive relationships. And it's a very delicate matter, we're taking steps, we're all sort of recovering from a lot of the emotion over the last several months. I think a lot of this too is a spill over from a couple of years of the U.C. working it's way out of some very difficult situations. I think this is like anything else, it's a step at a time, it's trying to build trust, it's so easy to tear it down. I think City Commissioner Hathaway said it well the other night, we have to watch what we say and I think that's very good advice.

City Commissioner Richenberg stated and would it be agreeable that when we have these workshops on a quarterly basis, we get a status report from the CEO and the City Manager as to how the communications are working. If there are any problems on either side with the UC or the City staff, and we monitor that.

Mayor Mackay stated I was on the U.C. website today, which incidentally is much better than the City Commission website, but we won't go there. She commented to Mr. Hagood we have to have a look at that because it's really nice. She then stated I like the events recap, I think this is great Mr. Rodi. It is, what is it monthly?

Mr. Rodi stated no, that's periodic.

Mayor Mackay stated it's just periodic.

Mr. Rodi stated what prompted that was a report out on the part of the UC Commissioners as to what we've done. It was part of UC Commissioner Diesen's review of what I've been doing. She politely was pushing the issue of what did you do right, what do you need to work at; so she did that quietly and efficiently. So what we wanted to do was get it on to the record, and that was something we had presented to the City Commission as to here's our perspective of what has been accomplished and some factual information.

Mayor Mackay stated well, if this comes out as monthly or bi-monthly, or every other month or whatever it is.

2. Prioritization of Joint Workshop Topics (cont.):

Mr. Rodi stated it's probably an annual kind of report that was necessary at that time.

Mayor Mackay stated I just think that's so easy to read, it's so good to have, and then you had a recap six months later. If we could have that at the City Commission meetings, you know, just every so often give us one of these because it's clear, it's concise.

Mr. Rodi stated it comes from our strategic plan, that's what the driver is, that is what's behind it.

Mayor Mackay stated right, and it just gives everybody a chance to stay on the same page with you as to what's happening and being achieved; I think it's great.

City Commissioner Plaskett stated I know that it was said that it needs to start, the communication is getting better, and Mr. Hagood I know you said it starts from the top down, but I would like to see both Managers make sure they relay that information to all of their employees because I think that some of maybe the misconceptions out there, or whatever, has occurred or is occurring. The City staff needs to be able to work with the U.C. staff and vice versa so I think it's very important that information be trickled down to all the employees, all the department heads on both sides so that everybody knows that's what both of us, all of us, want. Open communication, be kind to each other, be respectful to each other, work together, sit down, if there's a problem figure a way to work it out, come to a consensus. I think that would dispel a lot of the rumors or whatever that's out there and it would be so much better. I know it's difficult, but I think that's really the key.

UC Chairman Allen stated he would like to share one thing while we're in this area of communicating and working together. When we look long term and strive to work together, communicate together, I personally believe there's some areas where we can even further expand for the betterment of our community and utilize our resources. Instead of just duplicated resources, maximize on resources, whether it be hardware, software, and when we talk about H.R. working together and both our financial people working together, to be able to maximize in the economic trend that we see, and do a fair cost equity of making that work. It's done all around and it takes a little bit of thinking out of the box and working together because we're looking at providing the better service for our community and see our citizens receive the services they need. To build on that it takes more than just looking today but looking outward and planning for that and jointly working together to provide that. The technology that we have, and technology is changing so greatly, but we have the opportunity at this time to really build on that and to maximize on that and be efficient and economical.

Mayor Mackay and City Commissioner Richenberg both stated I agree.

City Commissioner Richenberg stated there's no need for us to duplicate if we have resources that are disposable between the two entities, to not have to duplicate, to spend our money wisely and fully utilize the resource we have; that's definitely a good point Chairman Allen.

Mayor Mackay recognized UC Commissioner Reynolds to speak.

UC Commissioner Reynolds stated he was pretty new at this right now, catching up. It seems that working as one as the City citizens employ us to do, it would be pretty bad if the City felt there was some kind of a collision between the two. I don't know whether there is or not but I do see City trucks trimming stuff and doing things and utility trucks doing things, but the citizens they think that's just the

2. Prioritization of Joint Workshop Topics (cont.):

City, they don't think that its one or the other; so I agree with what you say there. The other concern I have of course is water, just as much as power. I looked at the long range national weather service forecast and we're in for a dry period for probably now through until our rainy season hopefully will pop up. I don't think we have enough reclaimed water to maintain or provide it as the demand will cause. We probably need to think this is something that we can't store enough water so we may need to think about digging another pond, to see if we can get permission to do that. We may want to see what we can do to keep evaporation from taking place. Mr. Rodi and I have talked in the past, on the beachside everyone over there can dig a 12' or 13' well and water all their hibiscus and other plants, and St. Augustine and whatever kind of grass they have over there, without using our fresh drinking water. So it's some incentive I think needs to be developed and could be mutual from the building standpoint when somebody builds a new house, a part of that is putting in your shallow well so you have irrigation. It's a wonderful way to save water when you figure that we're not going to get reclaimed water on beachside that I know of, that's not in the plans. So we need to think of those kind of things that won't draw on our fresh water resource.

Mayor Mackay stated I'd like to pop something in there which has occurred to me and I've had people say this to me, if you drive around town frequently when it's raining, there are sprinklers going. I'm wondering how it would be best, Mr. Rodi, to get that message out, that now it's the short growing season, everything's dormant and people may need to turn those sprinklers off.

Mr. Rodi stated I think a lot of this is two fold. Part of it is an educational opportunity and from some of the recent flyers that you've seen us sending out, it's addressing that. The other part of it, frankly, is a pocketbook issue. If you're using potable water for irrigation, odds are that your consumption levels are very high. What's being addressed, obviously, in the whole water industry right now are incentives for people to help them conserve from a financial standpoint. I think part of that, and I sit through all of the City Commission meetings, and I know you understand this because you talk about a lot of the issues that are very complex social problems. This is in part a social problem from a standpoint of what kind of code requirements do you have for new construction. Mr. Rakowski has been talking about having buffer areas and what kinds of plants should go in there. It becomes a very complex issue to solve so we need to do both. Some of it seems very simple from a standpoint of, I think anyhow, of a citizen to say well you just pass an ordinance and make people do that. Well, just from a standpoint of building construction, the City can't pass a more strict ordinance than what the State has, so in order to get improvements and efficiencies in buildings, on the building code, the State has to move forward. Everyone's pushing right now you've really got to do this because we need to do all these things, and I think along the conservation line it turns out to be that complicated in those many people. But in the interim some of the things that we will be talking about coming forward are very different kinds of tariffs and the tariffs are extremely complex. I was commenting earlier to Chairman Allen, when we talk about the electrical supply, and what really need to happen in the future, there's no longer a silver bullet. So I've started to draft a tariff that deals with a lot of these issues and one tariff that I'm working on right now is up to 13 pages. Thirteen pages to address the complexity of some of the answers. So that when we start to involve some detailed discussions, these become very detailed, intense, but they also have to be simple enough in their application that people understand what's happening with it. So from a policy standpoint, what we're all trying to do is work at doing the right things that advantage our citizens but then there's a reality that we also have to deal with. To deal with, like the cost of energy, gas is still at \$3.20 a gallon and will shoot up more, the water supply and what's going on. Just like tomorrow, I'm headed to St. Augustine to listen to part of the battle between Orlando, Jacksonville, and the Water Management Districts, and what's going on; so this is just round one. So I wanted to contribute there's a lot more to it than just that one part.

2. Prioritization of Joint Workshop Topics (cont.):

Mayor Mackay stated there absolutely is, but on the flip side of all that, which I understand that's why you all are here, it occurs to me that we could have a message a month or a quarter or whatever from the U.C. to the City at the City Commission meetings, and if you write it we can read it into the record. Just like it's slow time for growth of grass, switch off your sprinklers.

Mr. Rodi stated right, sure.

Mayor Mackay continued by stating save money, save water; whatever it might be. Just a quick message you know and let's push that for a couple of months and then move on to the next one that you think is important.

City Commissioner Grasty stated I agree with you and if Mr. Hagood can put it on the first of the agenda when the room is full.

Mayor Mackay stated absolutely, message from the Utilities Commission.

UC Commissioner Diesen asked when can we start putting our sign back out or we can't do that?

Mr. Rodi stated it's red.

UC Commissioner Diesen stated so are the things on the causeway, they're red and big and bright, and out on 44.

Mr. Rodi stated well this is one of those things, the ordinance says do not so we don't.

UC Commissioner Diesen stated she gets asked about that regularly, why can't we have the sign back, why can't we have the time.

Mayor Mackay stated we could have messages going across the bottom of the sign, stop watering your lawn.

City Commissioner Plaskett stated but it can't be red.

Mayor Mackay asked why?

City Commissioner Hathaway then stated did you amortize that sign out?

City Commissioner Plaskett stated it's against the ordinance.

City Commissioner Hathaway stated those people that were allowed to keep their signs, those red signs, had time specific to amortize their sign. Did you do the same thing at the U.C.? I know the sign's been up a while, I don't know how long it's been up. Did you do that?

Mr. Rodi stated yes but what happened was the cessation of permissible use came before we were able to amortize.

2. Prioritization of Joint Workshop Topics (cont.):

City Commissioner Plaskett commented Mr. Davenport's property is in the County.

UC Commissioner Diesen stated the one on the Causeway isn't.

City Commissioner Plaskett stated no but on 44, he has the flashing red and all that's stuff.

After a couple of other comments, UC Commissioner Diesen stated the one on the Causeway is bright red.

City Commissioner Hathaway stated well they had a time certain to amortize off, I don't remember what the ordinance says.

Mr. Hagood stated he didn't recall that either.

City Commissioner Hathaway reiterated there was a time certain you could amortize your sign.

UC Commissioner Diesen asked how expensive would it be to go white?

Mr. Rodi stated he didn't know, Ms. Mahle priced that some time ago, was it \$17,000 or something?

Ms. Mahle stated we got, I think early in May of last year, we got a letter from code enforcement informing us that we needed to go ahead and turn it off, so at that point that's what we did and we were told. In consideration of the ordinance, we would need a change in the ordinance before we could turn it back on.

Mr. Rodi asked about the cost for a white sign.

Ms. Mahle stated the white one was \$10,000. It's a different technology, the bulbs are a different technology, you can't just replace the red bulbs with white bulbs; the whole sign has to come down.

Mayor Mackay stated to Mr. Hagood, we're going to put that on the agenda right; we need to rescind that.

City Commissioner Grasty stated two U.C. employees worked on the sign for many years and the temperature sensor would move up here and show different temperatures. I remember Mrs. Barck saying something like if it doesn't work turn it off.

UC Commissioner Diesen stated well now she's saying to me, I want that sign on, and I'm going, I'll ask.

Mayor Mackay stated well while we're talking about the sign, what we really need on Canal Street is a clock.

Mr. Hagood stated we'll take a look at the sign.

Mayor Mackay asked Mr. Rodi, can't you put a clock in the center of it, there's no clock on Canal Street.

City Commissioner Hathaway stated there's a big old clock right in the park down there, it's the CRA clock.

2. Prioritization of Joint Workshop Topics (cont.):

After a couple of comments, UC Diesen stated maybe the CRA would pay for our sign.

City Commissioner Hathaway stated you can always put in a grant request. I think they have matching grants. He added Mr. Rakowski is right behind you, he can tell you how much the grants are for.

After couple of more comments, UC Commissioner Reynolds stated he would like to go back to water for just a minute.

Mayor Mackay stated let's get this back on track.

UC Commissioner Reynolds stated the County is responsible to put out when you can water, you know on each side of the street. This was brought up about two years ago at a joint meeting we had with the City Commission, and the problem is that there's no enforcement of that. The County does not give the City resources or have their own people to write them up and say hey, you're violating County code. It may be something that we can bring up with the County because a couple of three years ago water wasn't as sensitive of an issue as it is today. So it seems to me that if the County is going to give the edict of putting out the restrictions, there should be some enforcement and we shouldn't be the ones that necessarily have to do it unless they're willing to compensate us so that we can have a guy run around and politely remind people that they're watering wrong.

UC Commissioner Diesen stated it ultimately comes from St. John's and they do the little thing, two, two times a week, or twice or something.

City Commissioner Plaskett stated and the other thing is, we had a joint workshop with the code enforcement board and Volusia County only has about six or seven code enforcement officers for the entire County and we have two. It's kind of a situation where, again like what we talked about at that workshop, if there's police officers, City workers out there where they see and everybody knows what the rules and regulations are, make a call. Stop or say something, I don't know how we can work that out but all the citizens should be aware of what the water restrictions are, all the City and utility employees should know what the water restrictions are, and make a call or whatever. I'm not sure how we would handle that but everybody needs to be informed but as far as enforcing it, the County doesn't have any money to do it and neither do we; but it is a waste.

UC Commissioner Reynolds stated maybe we can think about how we might do it. I'm just thinking right now, we have meter readers out there, maybe if we could empower them to have a little nice polite thing to hang on people's doors, we noticed that you were not in conformity with the policy and if you have any questions call the number and we'll come out and show you how to reset your box or something like that.

City Commissioner Hathaway stated speaking of meters ,and I'm not trying to get off the subject, but my water meter was recently changed and I noticed they're changing others in my neighborhood. Is that just something you're doing on a periodic basis, going around pulling out the old meters and replacing them?

Mr. Rodi answered yes. Some of them are obsolete so it's part of an obsolete change out program. In other cases, I'm not quite sure, Mr. Hoover if you have specific areas that you've targeted for change out.

Mr. Hoover stated actually the normal service life for water meters is about 20 years, they just wear out. Back then the registers weren't interchangeable as they are now and the registers get unreadable from

2. Prioritization of Joint Workshop Topics (cont.):

scratching and what not. So the ones that are non-working or non-readable, the Finance Department, the meter readers, they tell us to change them out.

City Commissioner Hathaway stated okay, I didn't know. I noticed he was going around our neighborhood and he changed mine out the other day and it looked like he was changing my neighbor's. I was just curious, we have an older neighborhood and I assumed that was what you were doing; just changing out because they were getting old.

Mr. Hoover stated we have in the past at times gone to a whole system, certain areas of a system and tried to do it that way but it's really expensive so we're just sort of keeping up with the ones that can't be read and to limit estimated readings.

City Commissioner Hathaway stated to follow up on that Mr. Hoover, in the last two or three weeks they've been out, your crews have been out opening up that hydrant right adjacent to my property line. I know I'm at the end of a line. Are they just flushing the line, I mean I guess it's necessary, we're talking about wasting water and they run that thing and it sprays a lot of water. I'm just curious, is it just too much chlorine build up or what?

Mr. Hoover stated what's happened, in the last 10 or 15 years the Department of Health that administrates drinking water on a County level, they have increased, they're saying that our population is about 49,000 now and that requires us to take 55 system samples twice a month. Those system samples are tested for chlorine and for bacterial counts. And without flushing before we take those samples, the next thing we're not optimizing our performance, nor are we performing well and we might be doing boiled water notices. So it's against our culture to waste water but on that token we'll try to manage.

City Commissioner Plaskett stated all right and as a follow up to that, you have the same one on South Myrtle Avenue and thank God there's no houses on that side where the system is on. But there should be some way to capture that water that's spewing out of that and use it for something. I mean I don't know how many thousands of gallons are being drawn out of the one on South Myrtle Avenue but I would think instead of having it spew all over into the drainage ditch or wherever it's going and then evaporating, isn't there some way we could capture that water and use for it reuse or plants.

City Commissioner Hathaway commented maybe we can tell everybody when we're getting ready to open the hydrant, bring your car by.

City Commissioner Plaskett stated but it's away from the street, it's actually pointing toward FEC railroad, I don't know how it is on your end.

City Commissioner Hathaway stated it's right off somebody's yard, well it does go into the street but it's kind of an angle.

City Commissioner Plaskett stated but I'm saying is it something that is possible to look at, I mean, I know it's blasting out but some way to recapture it?

Mr. Rodi stated part of it is, what you put it in, and it's usually a 10,000 gallon tanker truck, it's an 18 wheeler, bring in an 18 wheeler to connect to a fire hydrant so you can get the flows. So we can take a look at what we could do with it and go from there.

2. Prioritization of Joint Workshop Topics (cont.):

City Commissioner Plaskett stated well the one on Myrtle is not a fire hydrant, what is that? He stated to Mr. Hoover, the one on South Myrtle Avenue is not a fire hydrant

Mr. Hoover stated we do have some just blow offs.

City Commissioner Plaskett stated it's like a big box.

Mr. Hoover stated right and there's a valve down in the ground and it's what we call a temporary flushing hydrant point. So we screw a dimple in there with a 90 degree on it and blow off there. There's areas where the grid isn't perfect and stagnation occurs. We minimize the flushing by taking chlorine samples when we first start and once it gets up to a representative level, we cut it right off.

City Commissioner Grasty stated to get back to the irrigation, Mr. Hoover what are those devices that they put on in the ground, sensors to keep your system from coming on when it's raining and stuff like that.

Mr. Hoover stated that's a rain sensor.

City Commissioner Plaskett interjected that's suppose to be on the roof.

UC Commissioner Hall stated that's suppose to be mandatory I thought.

Mr. Hoover stated right, in the eaves of your house.

UC Commissioner Diesen stated and they gave them out.

City Commissioner Hathaway stated the County gave them out for free.

UC Commissioner Reynolds stated but I'll tell you, they're very unreliable.

City Commissioner Plaskett stated yes, they are.

City Commissioner Hathaway concurred, they don't always work.

UC Commissioner Reynolds stated it's like taking a dry wine cork that's been dry so long and try to make it get moisture to it.

City Commissioner Hathaway stated you're right. Maybe that's something that can be suggested at St. John's next time when they want to give away some more money, to reissue those things and have somebody agree to hook them up. Obviously, it's not a big deal, but lots of folks don't know how to do it and they're doing it wrong.

Mayor Mackay stated I think our best bet is the press, our friends the press, hello Melanie.

City Commissioner Richenberg commented Melanie gives us the look.

Mayor Mackay stated that's right, a nice heading to your article, okay, UC and City Commission urge the

2. Prioritization of Joint Workshop Topics (cont.):

public, let's save water for this dry spell we're coming up to; something like that.

City Commissioner Plaskett commented she doesn't write those.

Mayor Mackay added and a message at the City Commission meeting. She then stated let's get on.

Mr. Hoover stated I'd like to say one thing real quick, I know ya'll will be interested. At the last joint workshop City Commissioner Plaskett asked a question about our reuse, the utilization of our wastewater effluent. At that point I knew from our 2006 fiscal year report that we were at about 75% of our treated wastewater was now being used for irrigation. But now with a twelve month period preceeding that we've had the 13 acre pond available, we're up to 90% now. Just a little bit over 90%, so that's a big gain for the investments we've had to develop reuse and get customers out there. So instead of what the plant used to be called, 15 or 20 years ago, a wastewater disposal plant, to recycling.

City Commissioner Plaskett stated great, thank you.

Mayor Mackay stated let's get back and prioritize, check your lists. UC Commissioner Hall, your turn.

UC Commissioner Hall stated well you can't live without water so I think that's going to have to be a priority, probably for an ongoing time. Secondly, I think we've got to get into renewable energy projects. We've been talking about it for as long as I've been on the U.C. which has been since 2005 and we haven't made much headway on it. But I see that as not an alternative, as a way we've got to go. And thirdly, I would say conservation, conservation, conservation.

City Commissioner Richenberg commented we need the mikes, the people in the audience can't hear us.

UC Commissioner Hall then stated tell me what I said City Commissioner Richenberg.

After a few of the Commissioners reiterated his points, UC Commissioner Hall stated those three I think, with the overlay being communication between the two staffs.

Mayor Mackay stated yes. Now are you going to give us the information so we that we can do what we're doing tonight, which is have a really informal, explain this to us, session or how are seeing these prioritized items dealt with at a workshop.

UC Commissioner Hall stated well I thought tonight was just prioritizing.

Mayor Mackay stated no, I know, but you're saying water and then renewables, I don't think the City Commission's going to contribute too much to your understanding of renewables.

UC Commissioner Hall stated well that should be a topic then for the next joint workshop.

Mayor Mackay stated so you're going to be explaining to us right?

UC Commissioner Hall stated I would say we.

UC Commissioner Diesen stated we have the information available.

2. Prioritization of Joint Workshop Topics (cont.):

Mayor Mackay stated right, you as a group, okay. Let's go on what do we want for number three? How are we doing everybody?

City Commissioner Plaskett stated I thought UC Commissioner Hall had said number one was the water, number two is renewable energy, and number three was ...

UC Commissioner Hall stated two was conservation, three was renewable.

City Commissioner Plaskett stated I'm sorry, okay, so two was conservation, three was renewables.

City Commissioner Richenberg stated we really should keep or retain some of the ideas that were discussed earlier in this meeting too. As far as UC Commissioner Reynolds talking about utilizing the U.C. meter readers to be able to notice people and for us like we talked to code enforcement. Let's utilize our City employees that when they're out on the street riding around and they go this guy is violating or whatever, he may write down that address real quick. If it's financial, economically feasible to do something like that, you take that address down it goes to the U.C., the meter readers are out there, they put a notice. We notice you were watering on this day or something, during the rain storm or whatever, and just give them the heads up. Please be aware, we're trying to conserve; if it's feasible to do something like that. Just like UC Chairman Allen said, utilize our resources, we have all these City employees, all these UC employees, that are out on the streets everyday throughout our entire community and that information can come back.

Mr. Hagood stated I think if they see it and they're out reading meters, they're at the house already, just a little door hangar, you know, not chastising.

City Commissioner Plaskett interjected and make something that's really, really nice, that's not nasty.

City Commissioner Richenberg stated very polite, very diplomatic, and just say you know please because we're trying to conserve water.

Mr. Hagood stated I think we already actually have done that. In some cases with code enforcement where we do have some door hangars and maybe I could just get them over to you guys (directed to Mr. Rodi).

City Commissioner Grasty asked couldn't St. John's provide something.

Mr. Hagood stated I think that's where we got them, it came from St. John's.

City Commissioner Grasty stated it's not criticizing anybody, just letting them know the facts.

Mayor Mackay stated and what we're doing of course is what we want to do and what we should be doing. We're starting here at the top and you're saying let's do this, and it's filtering out and it's going to get to department heads, and it's going to get to the people on the street, and it's going to get to the residents and that's how it works, and let's all be responsible. I think this is raising awareness and this is great. She then stated go on UC Commissioner Hall, do you have some more.

UC Commissioner Hall stated no, let somebody else talk.

2. Prioritization of Joint Workshop Topics (cont.):

Mayor Mackay then asked UC Commissioner Diesen, next.

UC Commissioner Diesen stated well actually those were the items I had, along with our strategic plan and you've addressed that, you want to see the events recap. But the one that was on from previous workshops, and I'd like to know because this involves the City and I know other cities are doing it. Mr. Rodi raised the issue you can only go as far as the State will, but we're in kind of lull now and how do we go about giving incentives to developers not to put everything in St. Augustine, but to use xeriscaping and native plants instead of that water sucking grass called St. Augustine.

Mayor Mackay interjected not to mention the stuff they put on it to make it green which fouls the rivers.

UC Commissioner Diesen stated correct and added I'm putting a whole lot of rock in my yard. She jokingly added it may not be the prettiest but I can spray it green at Christmas.

City Commissioner Plaskett also jokingly commented maybe we can get them to put in artificial turf.

UC Commissioner Diesen stated but is there something, and this involves the City, is there some way because I do know other cities are doing things. Now whether or not they're doing it out on their own and they're on a limb.

Mr. Hagood stated to Mark Rakowski, if I'm not mistaken anybody now under the County wide irrigation rules, minimum standards, if you put in irrigation systems then you have to have so much in certain types of plant materials and the irrigation systems have to be designed to a certain way and the Department of Health are approving those irrigation systems now. So if you go in, start to put in an automatic irrigation system it has to be permitted and they only allow certain...

Mr. Rakowski interjected 75% of the property, you're not suppose to have more than 75% of your property, you shouldn't have to irrigate 100% of your lot.

UC Commissioner Diesen stated well 75% with St. Augustine...

Many concurred that was still a lot of water.

City Commissioner Richenberg stated he and City Commissioner Plaskett attended a presentation at the League of Cities over in Orlando. They had the turf specialist from Florida State University or somewhere, and they had pointed out they were working on hybrids of grass to get away from St. Augustine.

City Commissioner Plaskett stated absolutely.

City Commissioner Richenberg stated that was something in the room that was discussed that day, St. Augustine is a sponge, it's high maintenance, you might as well be growing orchids in your front yard as opposed to that. They also talked about incentives in developments and to provide them alternatives and provide them incentives to use these hybrid types of grass that were more drought tolerant that took less fertilizers. That was all tied together, they covered the whole thing, that was an impressive PowerPoint that lady gave. I still have my League of Cities information, I'll see if I can find that.

2. Prioritization of Joint Workshop Topics (cont.):

Mayor Mackay stated maybe we need to sponsor a UC, City Commission open house for what you can do with your yard.

City Commissioner Plaskett stated well actually in conjunction with that maybe we can get her down here and have a PowerPoint presentation done and invite the public so that they understand how critical it is, the critical water issues, and what you can do to still make your yard look nice and all that.

City Commissioner Richenberg stated and what would be important would be to invite developers.

City Commissioner Plaskett stated absolutely.

City Commissioner Richenberg they're the ones sitting at the table to hear the presentation and for us to discuss implementation of incentives.

City Commissioner Plaskett interjected and ordinances.

City Commissioner Richenberg stated and for us to say if you will move in this direction because I'm telling you, I've said it before, ICI was pushing a heavy advertisement program in the paper saying that they were pushing green. Now the difference between real green and green washing, which is a term I just became familiar with, is where they say it's green but actually it's not, it's not really certified. But you're seeing the push that way, you're seeing people realize that so it would be good. Like Mr. Rodi said it's an absolute can of worms when you get into conservation, I mean just in water alone, all the different ways you can approach conservation. I'm a firm believer that a lot of this has to be incentive driven and it can't just be incentive driven on the residents, it has to be incentive driven on developers too.

UC Commissioner Diesen interjected absolutely.

City Commissioner Richenberg stated it's going to take some pretty good research and discussion in order to develop a strategy to move in that direction.

UC Commissioner Reynolds stated another one we should add to attending that are the landscapers that are licensed in the City as they're doing a lot of rejuvenation of yards and stuff.

Mayor Mackay stated and go to the gardening club, men's gardening club and the women's gardening club.

UC Commissioner Diesen commented the Ag Extension group right out of Deland, I think they do a number of these workshops.

City Commissioner Plaskett stated yes they do, but nobody from this area goes.

UC Commissioner Diesen stated no, but I mean bring them here, and there are some green landscape folks.

City Commissioner Plaskett stated true.

UC Commissioner Diesen continued that Ms. Mahle did one.

2. Prioritization of Joint Workshop Topics (cont.):

Mr. Rodi stated I was just going to say, we've (the U.C.) been having conservation workshops for the public and plants and all that. He asked Ms. Mahle to make a few comments on the response.

Ms. Mahle stated I've forgotten her name, but the new Urban Extension Agent (County of Volusia) is coming here on February 6th to speak to our customers in conjunction with the Audobon Society.

City Commissioner Plaskett stated February 6th.

Ms. Mahle stated February 6th at 7:00 p.m. Then we're having a presentation for Kevin Schweizer on building waterwise and energywise homes here on March 5th, also in conjunction.

UC Commissioner Reynolds asked where those are taking place.

Ms. Mahle stated here in the DeBerry Room.

City Commissioner Plaskett commented you've got a 6:30 p.m. Planning and Zoning Board Meeting.

Ms. Mahle stated under community outreach seminars, along those lines.

After the dates were discussed again, UC Commissioner Reynolds stated I don't see them on the schedule here.

Ms. Mahle then stated February 5th and March 6th, sorry vice versa, the first Wednesday of each month.

After a little more discussion, Ms. Mahle stated she would find out about the schedule.

City Commissioner Richenberg stated well we don't have a quarterly workshop scheduled on there do we.

Mayor Mackay stated well that wouldn't hurt, we could bring them in.

City Commissioner Richenberg stated that would be two birds with one stone.

Mr. Rodi stated but we do have these meetings, and we've been holding a number of conservation meetings. This is part of the education effort, but those people that are truly interested are always here. It's the ones that aren't so interested that we need reach.

City Commissioner Plaskett interjected get the word out to and then maybe they will be interested.

Ms. Mahle apologized about the calendar dates again and said I'll confirm what the dates are and send an email.

Mr. Rodi stated the idea of leveraging and the support as more and more people become aware, just as you all have heard a lot about, do we have enough water and what's going on and look what's going to happen in Atlanta. There are some very important issues and we have a lot of detail with regard to even our own alternative plans and what we're doing with it. Even including, we have a number of R&D projects that deal specifically with renewable energy. So those are in the queue, we've been working on them after our RFP. He added in fact, Mr. Tolley has two of them.

2. Prioritization of Joint Workshop Topics (cont.):

UC Commissioner Diesen asked if anybody had seen the little item on T.V., it was some time this week on one of the new shows, and I can't even remember the city that was doing it, but they were taking the flushed water and through three processes and then drinking it. You know like flush to brush in 12 hours, and people were a little apprehensive after they found out.

City Commissioner Plaskett interjected that they were drinking toilet water.

City Commissioner Richenberg added so am I.

UC Commissioner Diesen stated but it went through the process, and folks were drinking it and they would never had known if someone hadn't told them that it was flush to brush.

City Commissioner Hathaway stated they had that same basic premise on tonight's news regarding what Mr. Rodi was already discussing earlier, about the north and Orlando. They were showing how expensive it was to treat river water versus ocean water and the dollars and cents it was going through. It was \$3.50 for river water and \$6.00 to \$9.00 for ocean water, so they were showing the difference. Of course everybody is going to try to drain it off the St. Johns and Oklawaha and every other river in the state so they don't have to spend the big bucks.

Mayor Mackay stated well I guess the big challenge is to get the message out to the citizens right, that's what we're talking about. You know, we're talking, we're learning, but maybe Mr. Rodi we need to cooperate and have a weekend or a day or a week and just get these issues out into the public awareness.

UC Commissioner Reynolds stated I wonder if we could have a trade show you know of all of these people, solar energy, and line up Canal Street out here like they do out at the convention center, anything to deal with that.

After a couple of comments, City Commissioner Grasty stated they've done that here (at the U.C.). He stated conservation starts with us and I started a long time ago when the U.C. first offered the low flush toilet, I bought one of them. I changed the shower heads, I've changed the spigots, I went with a new washing machine with low water; I've done a lot on the water parts. For the electricity, I've changed the light bulbs, I went to the flourescent. He stated my whole bill, I had my daughter, her husband and two kids there, my grandkids, and my whole bill this month was \$152.00. Because I have actually worked at everything they started here a long time ago and I think it pays off.

UC Commissioner Diesen stated mine was less than yours.

City Commissioner Plaskett stated so was mine.

City Commissioner Grasty then added but I had four people there, extra.

Mayor Mackay recognized Mark Rakowski to speak.

Mr. Rakowski stated since we're talking about water, conservation is excellent and I support it all the way, but one of the things that we need to think about, every time you take land designated in the comprehensive plan and the zoning ordinance as rural and you change it to low density residential. All the conservation in the world you can do, this is going to help a lot more. We need to stop changing

2. Prioritization of Joint Workshop Topics (cont.):

things to low density residential where it has these big lots. Get compact roads in small areas and maybe we shouldn't change the rural land to be used for urban uses.

After a couple of the Commissioners agreed, City Commissioner Plaskett commented she didn't know about that.

City Commissioner Hathaway interjected you've got to have JPA and employees and everybody else annexing in, we've beat that dead horse many times in other meetings. We have the JPA with the County and they don't sign off in agreement with us.

City Commissioner Plaskett stated maybe we should have a joint meeting, try to set up a joint meeting between the County and the City. Then maybe a joint with utilities.

Mr. Rakowski stated as long the land is in the City, all right.

City Commissioner Plaskett stated well I understand that but you know we've got to do something, all the situations going on, all the development, with you know Port Orange, and the talk of the overpass and the underpass; everybody's in the same boat we are. I'm just saying...

Mayor Mackay stated yes, but you know, one city can take the lead. One city can start saying this is what we're doing, this is how we're going to get the word out to the residents, come on City Commissioner Richenberg, run with me.

City Commissioner Richenberg stated and show that it works, and do those examples, and I think it's an excellent idea and I think that we should incorporate it into our regular meetings. That at the beginning of that meeting, that was an excellent idea, that we develop a strategy to heighten public awareness and educate the public.

City Commissioner Plaskett interjected just say it at every meeting.

City Commissioner Richenberg stated yes, at every meeting we have one little part where we just say whatever. I mean I don't have anything right off the top of my head I can say but just something at every meeting that we say that leads toward conservation, heightens conservation awareness. To where we can bring that out to the public eye and possibly give them examples of how we're trying to do it ourselves on a personal level. But if you keep, I mean it's just like my son, you've got to keep telling them, keep telling them, and sooner or later it's going to sink in. And then if you can show, part of the strategy is emphasizing the advantages of doing that, the cost savings, you know the environmental impact.

City Commissioner Plaskett stated and actually show facts.

UC Commissioner Diesen added in dollars, put dollars.

City Commissioner Richenberg stated well that's the biggest, if you can show the economic benefits of conservation, that's going to be a good one. But if we do that, if we incorporate that into our meetings, to be able to make those statements every time.

Mayor MacKay stated and if you will do that at the U.C., you know if we have the same message going

2. Prioritization of Joint Workshop Topics (cont.):

out. She then asked if ex-Chairman Spangler was still in attendance. She asked him to stand up and tell what their electric bill dropped to because they used those little light bulbs.

Mr. Spangler stated well I don't want to be misleading but I think we used 650 kWh one month and another month 750 kWh. I don't know whether it was the climate, or whether it was the light bulbs, but it was the first two months after we put them in.

Mayor MacKay asked what did it drop from though?

Mr. Spangler stated probably 150 kWh over the year before.

After a couple of comments, Mr. Hagood jokingly commented he knew why his light bill has decreased. The Mayor got elected, he's not eating at home any longer, he's eating out...

UC Commissioner Diesen stated if we just push this, mine dropped immensely. I tell you mine went down to \$139.50 and that was over the past month and before that, I mean that went up. But I had the insulation, I had about six inches of insulation blown into my roof and my overhead; that made an immense difference over the summer; I couldn't believe it.

City Commissioner Plaskett stated sure it does.

UC Commissioner Diesen stated in the a/c and keeping it warm in the winter. She stated so those are all things that we've suggested and it shows up in our energy audits, if we can just get more people to participate in the energy audits too.

City Commissioner Plaskett stated not only that but that's critical in the older homes that were built like in the 20's, 30's, 40's, 50's. I mean some of them have no wall insulation, they don't have attic insulation, we still have a lot homes that have jalousie windows. You know, so those are the people we were trying to reach initially when we started having the meetings on the west side at Babe James. But I tell you what, there were people that came from all over the city for those meetings. I really appreciate you guys (U.C.) putting that on, we need to continue that, we were giving out boxes with the things (conservation items). We need to continue to do that.

Mayor MacKay stated okay, we've got to number five and we've done three at once on the back list which is conservation and electrical and water, incentive driven, information available, easy access, etc., etc., xeriscaping and investigate incentives for developers. So I'm going to lump that all together and say we're already into that, we're talking well, and we're going to pursue that and keep it going month by month in the meetings and get little buzz phrases out there. She then stated let's go on, who wants to pick it up and go on to the next one, we need a number six.

UC Commissioner Reynolds stated I want to ask Mr. Rodi one question. I know we have a ratchet scale for a matter of gallonage used, when was the last time, when was the date we implemented that, it's been a couple of three years.

Mr. Rodi stated well the last time we looked at that was when we did our cost of service study in May of 2006. We, at that point, were thinking about making a stronger step with that but we held off, and what we wanted to do was to see the effect. When you make some of these changes, they don't sometimes

2. Prioritization of Joint Workshop Topics (cont.):

have quite the effect that you'll think they'll have. So it did follow the pattern we thought would happen but we have to now look at that same approach again, probably for budget cycle next year. For changing the incentives and also introducing more incentives on the electrical side of the house. It's the same kind of an issue and part of what we really will be able to show you are some of the economics that happen when you implement these items and what's happening in the market right now. So there are a lot of different issues that are very complex but they need to be openly talked about so that people can understand what we're trying to do.

Mayor MacKay stated absolutely. So does somebody want to run with open discussions with Port Orange as we touched on talking with the County; I'm on the back list again.

City Commissioner Richenberg asked if that was the reclaimed interconnect.

Mr. Rodi stated I think there were two parts of that. One was the actual, physical interconnect and that is still Port Orange's plan and our plan, that's part of the infrastructure build out. We have a potable interconnect with Port Orange right now that's functional and automated. And there's another aspect of that in our plans, an interconnect with Edgewater, and of course these are sometime down the road. So that the interconnects from a water standpoint are very limited in their advantage but they're there more for emergency purposes for potable. For irrigation, I think it's going to be a completely different subject coming forward for alternative plans.

City Commissioner Richenberg stated to Mr. Rodi, as far as that goes for the reclaimed, I know that sometimes when we get excessive rainfall we have spill over.

Mr. Rodi stated that ends up in the river.

City Commissioner Richenberg stated if we had this interconnect would we be able to, granted Port Orange is only ten miles away from us so if it's raining hard here it's raining hard there more than likely, but due to storage capacity and stuff like that, I mean is there a possibility?

Mr. Rodi stated I think there's some opportunity for Port Orange. They just dug, I think, an enormous storage pond, I think it's a 100 acre pond that's empty. But I think what's going to happen is that there won't be the availability of water for irrigation purposes to take advantage of that. Part of what we're examining in our water harvesting project is to store that excess reuse water and also surficial water in the upper part of the lower Floridan aquifer. So what we're talking about doing is much like you read that Daytona is doing, that we're going to pump that there rather than put it into ponds, surface ponds and deal with the algae, evaporation and all those issues. And then be able to draw it back out when we need it. We have applied to St. Johns for our water harvesting project to get 444 grant funding if they'll go along with this, but that's a long way between now and then. So overall what we're looking at is using the upper part of the lower Floridan for emergency supply of potable water and routine supply of irrigation water because of what we think water quality is there. Then we don't deal with a lot of the contaminants that you deal with from straight sea ocean water. He concluded by stating so that's where we're headed with that.

Mayor MacKay stated okay, it keeps coming back here doesn't it. Moving on then, should we put something into number six. I'm putting all the conservation items into five. If anybody disagrees with what we're doing here, just say so because this is a workshop.

2. Prioritization of Joint Workshop Topics (cont.):

Mr. Rodi asked if he could inject something for awareness purposes.

Mayor MacKay answered absolutely.

Mr. Rodi stated when we talk about conservation, whether it's electrical or water, we certainly need to conserve any resource that we have, whether it's a natural resource or it's one that we've created as people. When we make these reductions part of what we'll have to wrestle with, and it's a part of the conservation topic, how you then fund all of the existing infrastructure that has to provide that when something changes. For example, if we're all able to help and promote solar energy and whatever renewables we have, those are usually systems that apply at an individual location and they refer to it generically as distributed generation, so it's instead of having a big, central generating plant. But what happens when the inverter goes out on the solar cell, then that person has to draw upon the grid again in order to get power. That means it has to be available and then you have to maintain it, and you have to have people who maintain it. So part of what happens is the traditional rate structure that has been used in order to pay for the commodity, either a kilowatt hour or a gallon of water, has been based upon one philosophy. And when you shift this philosophy, then you're left with situations and they refer to this as a decoupled rate structure, it's decoupled from the asset. As we encourage this, and we do, because it gives us local control, it gives us control over investment, it gives our customers and our citizens control over what actually happens. So then we need to have part of that conversation because then there's a second consequence. So the assumption is well, it's free and it's there but then you have all of this other stuff out there that has to be taken care of, so that should be a part of that. And I know Mr. Spangler over time has, right from the beginning, talked about water and then right before he left the Commission he was talking about what are you going to do when you shift off all of this load from a central generating plant to a distributed plant. I know that Commissioner Allen and I have been talking about those kinds of investments that need to be made because those kinds of electrical generation sources don't work like the other ones so you have to make other investments. So with that having been said, when we talk about conservation, then we can talk about some of these other things, and I think you would want to know that and give us your counsel upon that as well.

City Commissioner Richenberg stated so in other words there's consequences to conservation.

Mr. Rodi stated well, like anything, there's all kinds of things that you deal with.

Mayor MacKay commented it upsets the balance. She then asked Mr. Rodi, so do you have answers, do you know what...

Mr. Rodi stated yes, we know exactly what we want to do and what it will take in investment, where we need to go with it and how we need to encourage it. And it's, you know the movie "What About Bob", you know baby steps.

Mayor MacKay asked if anybody else wanted to take this up? She asked City Commissioner Plaskett if she wanted to do the last few, prioritize or ask for input.

City Commissioner Plaskett stated we've already talked about that, talked about that.

Mayor MacKay stated we're at conservation for number five, so I don't know. Does anybody have any input as to number six?

2. Prioritization of Joint Workshop Topics (cont.):

City Commissioner Richenberg stated we had talked about and confirmed with Mr. Rodi the U.C. put out an RFP/RFQ for power generation.

Mr. Rodi stated we did the RFP for renewable sources. What has come from that is we had submittals for three R&D projects. Within the RFP we asked for firm energy from renewable sources and that was about the time Governor Crist announced everybody needs to move to RFP so New Smyrna didn't have much appeal at that point, they were looking for big players like FP&L and Progress. But what we do have are three projects that we've been working on, one of them is solar based, one is ocean based, and one is, if you will, waste, like waste materials, disposable garbage, those kinds of things. So those are the three categories that we're working with now.

City Commissioner Richenberg asked Mr. Rodi if the waste disposal was biomass.

Mr. Rodi stated it's partially biomass but it could be also landfill waste.

City Commissioner Richenberg asked if this was plasma.

Mr. Rodi stated we haven't gotten to that point of the discussion yet, so these are all things that will take some time. And part of what we need to talk about in the generation sector is just what's available right now; so that will be another conversation that we should have.

UC Commissioner Diesen added and generation.

Mr. Rodi stated yes.

UC Chairman Allen requested to jump in right now and stated one of the things I think probably as we, in a meeting, discuss renewables, get in and understand what all is out there in the world today because as we look toward renewables and you're going to hear a lot about there's the big push people backing away because of looking at carbon tax and looking at all these issues that are on the table right now. Along with even politically there's a pretty good push of going nuclear and there's some real big implications that may very well politically might try to drive you to look at nuclear because it's called that it's going to be environmentally friendly. But when you start looking at the real dollars, renewables may very well look very good. So it's a major thing that we need to look at and discuss as we move forward in the future.

City Commissioner Hathaway requested to interject something at this point. Since we've been discussing conservation and so on and so forth, and talked about bringing developers in regarding St. Augustine grass and what have you, I would think that at the same token we would be encouraging those same developers that are putting up single family homes or building homes that we look at the cistern arrangement as far as collecting the water, as far as having sump pumps to deliver the water back up for watering systems. If we're going to talk to developers about grass and whatever, let's talk about the full spectrum, and let's also throw out how much it costs to put solar panels on, how much does it cost to use wind turbines, how much would they save and what type of tax break would the final consumer get based on doing these types of things to these new developments. And then they can weigh for themselves whether or not it's worth it, not even counting the feel good aspect of protecting Mother Nature if you will, versus the dollars and cents that goes into what may be down the future. Speaking you know, obviously, it's cheaper to go with what we have now than perhaps looking at some of these other oddball

2. Prioritization of Joint Workshop Topics (cont.):

things but if there's a tax incentive out there and if there's something that relates to something for some new developer. He added also the retrofit for older homes, how expensive is it. I mean that's to me I think those types of information that when you bring people in, that should explain it to you. It's either cost prohibitive to some people or it's something you might want to consider. I throw that out just because when we start talking developer get together we should get it out.

City Commissioner Richenberg interjected you've got to sell it.

City Commissioner Hathaway stated I think it's got to sell itself. We're not up here used car salesmen and what have you, I think that if the incentive is there and it looks good. Some people will do it strictly for the green, that's the way they feel. Some people will do it for the dollars reason, that's the way they look at life; for different reasons.

City Commissioner Richenberg stated but if you combine all that and say it's going to save you money and it's going to help the environment, then you've got a pretty good sales pitch for it. If you can show that it's beneficial in a few different aspects. That not only, sure you may pay an extra \$1,000 towards your home now, but over the life span of ownership of a home, you're going to save \$15,000 and you're going to leave less of a carbon footprint, less water demand. You can show all those, you've got to sell it but you've got to have something good to sell, it's got to be something that somebody goes well yeah, I want to be green so I'd spend the extra money for it but in the end if it's just a wash, a lot of people are going to look at it and go so what I don't want to spend the extra money if it's just going to be a wash. But in the end if it's going to save me money, you know over the life span or the time I spend in my house, then you're going to get more of the market there in order to be able to get them in that direction.

Mr. Rodi stated I think your comments are right on the mark.

UC Commissioner Reynolds stated if we were to get the developers and builders, on their model homes, to do those kinds of things: put in xeriscape, put in cistern, solar panels. So when a guy comes from New York down, he could see the advantage right away.

City Commissioner Richenberg stated yes, you could show the options. It's like a car, what do you want. Okay, you're going to get a 2,500 square foot home, here's the list of options and here's the list of savings that come with those options, this is what it's going to cost you and this is what it's going to save you in the long run. And it's a good idea too, to look and see what can you retrofit, what can you do to retrofit a home to bring down the costs of energy consumption, water consumption, and everything else. And once again, it's not like we're sitting in this room having to reinvent the wheel, this information is out there. I mean we spoke about the U.C. Mayor's Agreement on Climate Protection. If you go to Seattle, I know Mayor MacKay you've looked at that, it is a very impressive site and it has a very incredible amount of information. And if you look Seattle in the northwest is a very progressive area in a lot of those areas, you know they've shown where they can save, they can work to save the environment and you're saving money at the same time. So if you've got that good sales pitch, and like I said if you've got the information that you can research and get from all these areas in the country, then we don't have to sit here and try to brainstorm because we won't be here by the time we're able to come up with the ideas.

UC Commissioner Reynolds stated it's interesting, down in South Florida, I have friends down there, Lake Okeechobee down. Then they had a pretty dry spell and they were getting concerned, they've been buying 500 and 1,000 gallon storage tanks for rain off the roofs down there.

2. Prioritization of Joint Workshop Topics (cont.):

City Commissioner Richenberg stated I've been going to the Bahamas for 30 years, the island I go down there, they have cisterns, that's all they have. They've been there for, they got dropped off on those scrub islands 200 years ago so that's a pretty hardy bunch, and they're still there. So you know it's worked for them and it was forced upon them, they didn't have any choice, they couldn't pump water out of the ground.

Mr. Rodi stated just as an aside, we (the U.C.) have been partnering with the University of Central Florida and you should have received your survey for your interest in solar energy. And what we're attempting to do is not only find out, you know, what that interest is, but how willing people are to commit to that alternative. Part of what, and I think City Commissioner Hathaway you were right on the mark, that depending upon the person's interest, it still has to come down to economic viability. And you do those things and the economic viability will be heavily influenced whether or not you get energy credits, whether or not you're going to have to pay a carbon tax, whether or not you're going to have to pay a use tax; and these are all parts of the equation that didn't exist before. So I think when we talk about these items something old is new again, like cisterns, they make great sense. How we introduce that, when I came up in the elevator with a couple of folks that are in the audience, I was just sort of chuckling a little bit about well, when I pushed the button it reminded me at one point in time there was an elevator operator everywhere. Now what we have in this totally automated society, you forget about natural design and construction and those things that were so fundamental to a way of life before we had some of the conveniences, and they work very well. So we're re-discovering some of those items and others just deal with recognition that we've reached a certain level of tolerance for sustainability. He concluded by stating so I appreciate your comments.

City Commissioner Plaskett stated this survey that everyone received, I filled mine out and I turned it in, and I said yes to all the things. Well my daughter saw the \$10,000 figure on it, she was like... I'm just saying when you throw out a number like \$10,000, some people that can afford it and see the true value in it, which are older people, you know like us. Twenty-four year old people...

City Commissioner Hathaway interjected come on now, age is irrelevant.

City Commissioner Plaskett stated no, but it is, because when you're talking about young people, and my daughter's 24 year's old, okay, so when you're talking about young people who are out here trying to make a living, haven't had a job for a long time, don't own their own businesses, they look at \$10,000 and go no. I'm just letting you know, so I don't know. She then asked Mr. Rodi, when are you going to have those results of the surveys.

Mr. Rodi stated well, we're still collecting them over about what, the next month? He directed that question to Ms. Mahle.

Ms. Mahle answered the surveys are winding up now and the gentleman, the professor from UCF came and got them the day before yesterday. They've tabulating them now and we're going to get some cursory results immediately and there's some more in depth things they're going to analyze and get that to us. So I couldn't tell you when, but it will be a couple months I assume.

City Commissioner Plaskett stated okay, I was just saying that you know that when that figure was that high, it could scare younger people away and maybe they wouldn't even fill out the survey. I have no idea.

2. Prioritization of Joint Workshop Topics (cont.):

Ms. Mahle added the survey was different, everyone got it, there were sixteen different versions of the survey.

City Commissioner Plaskett stated oh, so we just happened to get the same one, her and I, okay.

Mr. Rodi stated just a comment, this is another one of those that maybe isn't appropriate at this point in time with what the cities in Florida are facing, but some cities in California have offered their bonding ability to finance things like solar and renewables. And offer that for purposes, if you wanted to put this up on your house then you would pay for it back through your taxes and that kind of thing. So, depending upon the given situation there are some out of the box answers but there are also some timing issues. Part of what, for example, Commissioner Allen and I were talking about today about where some of the current costs are on nuclear, and we had a discussion and a decision that was made that it looks like it's going to be almost cost prohibitive and that was at probably four to six million dollars per megawatt. Now some of those numbers are eight to ten million dollars per megawatt and the comment that I thought was very astute again by Chairman Allen was that's right where solar happens to be today without subsidies, for silicon base solar. Part of what we've been doing at the U.C. is talking to some of the manufacturers for thin film technologies and they're talking about a million dollars per megawatt which is 10% of that. So the likelihood and those companies that have production runs right now and their process is much like a newspaper's printing presses, that same kind of application. A lot of their product is going overseas, Germany, Europe, but the timing on that is, if it's true, that the solar promise comes in five years, then we have a timing issue. So instead of dealing with nuclear at however much it is, then you start to shift off to solar that has now become very effective, and it's very competitive then with others, and so then you get out of this trap of having taxes to subsidize a solar industry because it's not matured on it's own and it's then very competitive with everything else. So those are part of the numbers that we've been working with and they bear discussion now because it relates to what we're doing with even securing our energy contracts over the next four or five years. So this is all substantive information that we can talk about but we do have a very good focus on it at this point.

City Commissioner Richenberg stated and I would think that, Mr. Rodi, you probably look outside the United States in more of a global aspect of that, because you know when I look at some of the information I saw on solar and saw how much was being purchased by other countries, and especially with an emphasis on Europe, Germany was unbelievable on the amount of solar that they had already pre-purchased. Some of the largest manufacturing facilities, their production was already spoken for, for several years. So I hope that we look outside of just our applications here in the United States and see where it's had a longer track record and then there's better examples of how it's utilized there.

Mayor MacKay stated well I think we've had a very positive discussion. It's been a little bit amoebic, it's rambled around but it's covered a lot of topics. I've got a page of notes and I've got a page of priority numbers and I'm going to attempt to make some sense of what we've said. Basically the first thing to address is cooperation, communication, ongoing, quarterly, all of the above and we're in the process, we're off and running. Number two came up as conservation which covers a lot actually of what's written down here, it's water, lowering of rates, comparable systems, it's the back page for conservation in electric, water, incentive driven, all the top three there. So that is all in that conservation conversation and I think that again we're into. And it needs to be, maybe our next priority, thinking about possibly a fair or a week, thinking about giving out strong statements to the public and the residents at the meetings, and getting the education across; enrolling people rather than beating them on the head with it. How

2. Prioritization of Joint Workshop Topics (cont.):

about some visits to the schools, Mr. Rodi, can some of your people go and talk to children at the schools maybe.

Mr. Rodi stated we are involved in that and in fact it's another project that Ms. Mahle and Ms. Perez are working on, and that is a partnership with the High School, to even do some of the plantings out here now that the tree's down.

Ms. Mahle also added we're (she and Curt Mckenzie) going to the Middle School on February 1st.

Mayor MacKay stated so we've got a whole trickle down thing going here now. Number three, we sort of started talking about renewables and started getting technical and I think that's also going to take up this generation plant on 800 acres, and maybe the siting of Williamson Boulevard will come into that, and here I see from Mayor Vandergriff (former), he said where's the FPL substation going to go and wanted a comprehensive plan to involve water. Well, I know water can be a by-product so that can circle around maybe and do that. So at the same time as that we then moved on, to RFP's, RFQ's, which are in the process, right Mr. Rodi, and they are out there. So number four, I seemed to have skipped number four so I don't have one at all, Commissioner Richenberg did you note something on the fourth, or should we just go to five.

City Commissioner Richenberg said no, let's just go to number five, if four's not jumping out at us it must not...

Mayor Mackay stated four, I didn't seem to write anything down, so I'm going on to where we came in with control of the power plant, of Swoope for a power plant. And you can see how this conversation actually all leads the one into the next, from the generation of renewables and water, we're now talking about where, and acreage, and land again, and the importance of retaining the ownership of the 800 acres. Have I skipped anything on that one? I'm seriously missing Chairman Allen's because it's so technical, I don't even know how to say it, half of it. She stated to Chairman Allen I'm going to leave yours out, it comes in last when you've educated us all, okay. So moving on, we then get to the last one, well again, it fits into that last one I just spoke about, the investigation for alternative sites and the 800 acres. We've sort of wrapped around and contained ourselves. And Commissioner Diesen's reiteration of strategic planning, the results are the same, good communication, keeping us up to date so that we can all say go, wonderful. It's your strategic plan, it's your map, and it says so here, but it's ours as well Mr. Rodi, and you know it's the town's, it's everybody's. They use to say it takes a town, takes a village to raise a child right. Well, I think it takes a town to be responsible and look after our future, so we need to get that issue out. I'm thinking maybe we can talk to some of the developers as somebody said, maybe it was UC Commissioner Reynolds, and get them to put up a house or a room in an open house. She stated to Mr. Rakowski, I don't know if this is possible?

Mr. Rakowski stated I don't see why we couldn't do it as part of the PUD agreement.

Mayor Mackay stated okay, there you go. Mr. Spangler and I went to two houses up in Toronto when we were there a year or two ago, and it was just unbelievable what they've got there to encourage this, even down to bamboo towels in the bathrooms and floors; everything was renewable.

Mr. Rodi stated if I may, we've been working with Kevin Schweizer, and he has the first designated green house for Volusia County in New Smyrna Beach.

2. Prioritization of Joint Workshop Topics (cont.):

Mayor Mackay stated on North Peninsula.

UC Commissioner Diesen commented there were vultures sitting on what's going to be the...

City Commissioner Richenberg interjected the wind turbine.

UC Commissioner Diesen added she can see it from her home.

Mr. Rodi stated but you know there are a number of local initiatives that are fledgling, they have a very hard time getting recognition to move forward. And I think Mr. Rakowski's comments about the awareness, just it's another topic to talk about with regard to PUD. You know between affordable housing, and buffers, water use, and land use, and all of these other issues, we can roll that into maybe a conversation on conservation. So that might be an appropriate place to fit it in.

City Commissioner Richenberg stated I think it will be a great advantage to New Smyrna to have the first green certified home, that we have as an example here in our town. I think that definitely help.

City Commissioner Plaskett stated and maybe he would allow an open house or something, I don't know why he wouldn't.

City Commissioner Richenberg stated either that or do a video, showing all the advantages and the different design features of the house and the advantages of it that you could just have out there for people to view at their pleasure or to even to be able to show it at a meeting or something.

City Commissioner Plaskett commented and the Mayor also had a good idea, or a video of it, but it's a little bit different I think, a video of walking through and actually physically seeing something, so maybe we can arrange something like that. She then asked Mayor MacKay if she was going to allow anybody in the audience, and I didn't know if anybody had any questions.

3. Possible Other Business - Time for Commissioners:

Mayor Mackay stated okay, we can open it up to the floor, I just know that some people are anxious to get away pretty soon.

City Commissioner Plaskett interjected me too, but I just thought I would throw that out there.

Mayor Mackay asked has anybody got something that's just burning a hole in their heart here that they want to say.

There being no public participation, City Commissioner Plaskett commented that means we did a good job.

Mayor Mackay stated we must have covered all, I think it was a really good conversation, and I thank you. I want to add one more thing, I was asked yesterday at the golf advisory board meeting at the golf course by several people to express our sincere thanks to you (Mr. Rodi) for wrapping the tower so that the kill of birds has stopped. They're really happy, very happy, that that was done and appreciative, so I said that I would pass that on.

3. Possible Other Business - Time for Commissioners (cont.):

Mr. Rodi stated thank you. This is one of those things that has been going on. We finally, unfortunately, had some confirmation that it was happening. I know that U.C. Commissioner Reynolds had started on this and finally gave me some information along with some names. This has been the issue, please accept that oftentimes we're given information that isn't quite true.

City Commissioner Plaskett commented you're not the only one and others concurred.


Mr. Rodi stated and for something like that, the line crews went out there and did what they really could do with that construction, so that the credit goes to a number of people.

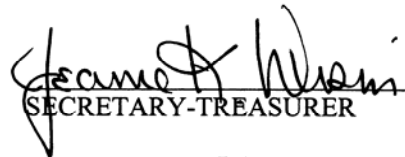
Mayor Mackay stated it's much appreciated, and added by the birds as well. Thank you very much for a very good workshop.

There being no further business to come before the Commission, Mayor Mackay adjourned the meeting; the Joint Workshop closed at 7:43 p.m.

APPROVED:

ATTEST:


CHAIRMAN


SECRETARY-TREASURER

These minutes were formally approved by the Utilities Commission at their February 25, 2008 meeting.